

AUG 24 1935

DUN & BRADSTREET MONTHLY REVIEW



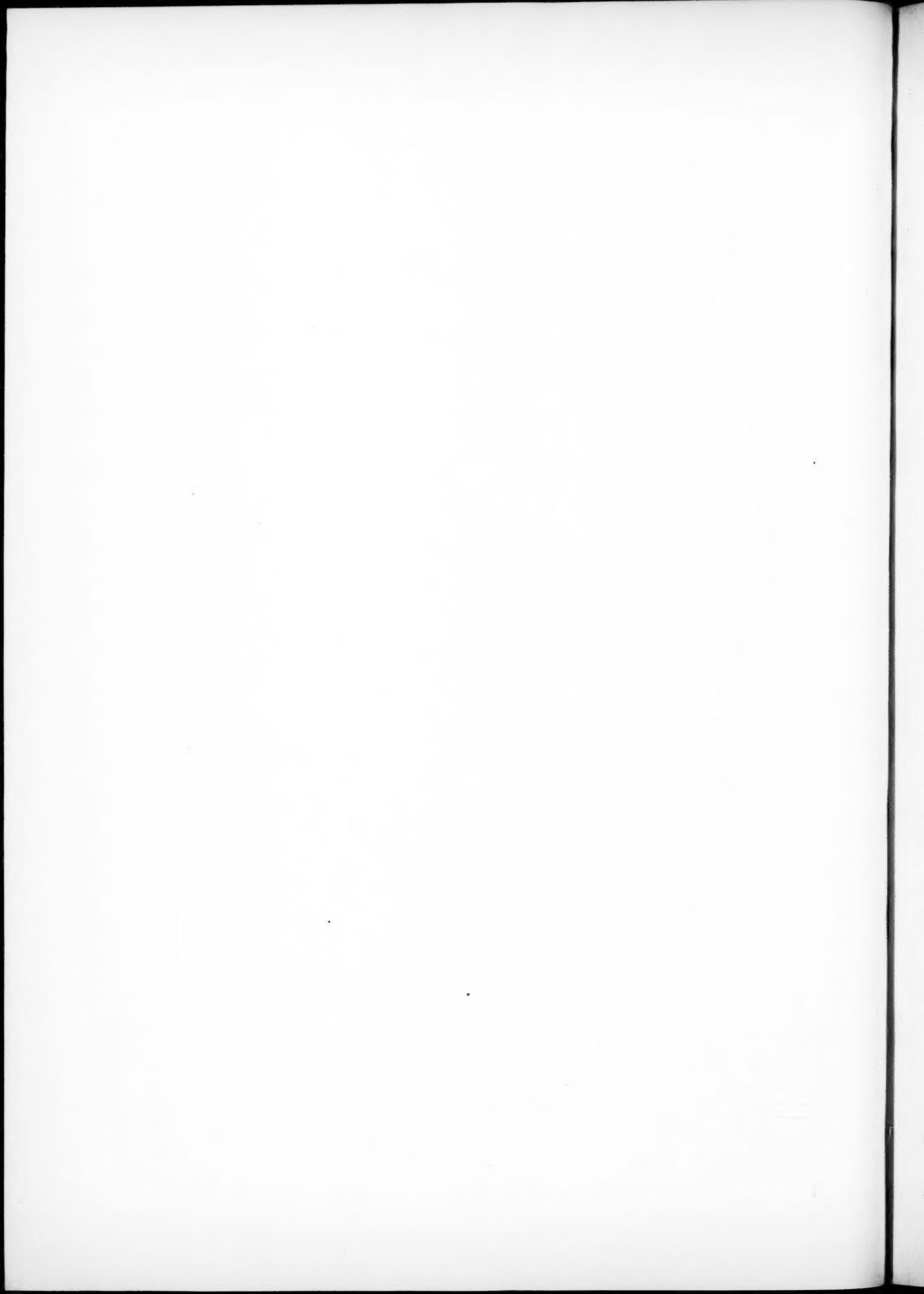
SPENDING FOUR BILLIONS FOR WORK RELIEF

by DR. F. L. BIRD

AUGUST · 1935

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THE ACTIVITY BAROMETER



AUGUST 7, 1935 JULY 3, 1935
 74.4 67.6

Reflecting the marked rise in steel operations and electric power production and the gradual upward movement of prices and bank clearings, the Activity Barometer for the first week of August rose to the peak for this year. In fact, except for the final week of 1934, which was distorted somewhat by holidays, the latest figure of 74.4 stands at the best level recorded since May, 1931. Since early May, when the 1935 low was touched and the Barometer dropped below the level of the year preceding, there has been a rise of 9.7 per cent, while the increase over the corresponding week of 1934 amounts to 18.7 per cent.

BAROMETER AND ITS COMPONENTS (Estimated normal = 100)

	Activity Barometer	Steel Production	Car Loadings	Electric Power	Bank Clearings	Fuel Price Index
Aug. 7, '35	74.4	66.6	58.7	90.8	51.5	86.1
July 31, '35	73.4	62.8	59.1	90.9	51.6	85.0
July 24, '35	71.0	58.7	56.8	90.3	51.3	84.1
July 17, '35	70.1	56.3	56.4	89.6	50.8	83.2
July 10, '35	70.2	49.4	62.1	88.5	50.4	82.9
July 3, '35	67.6	45.0	58.1	89.2	49.7	82.4
Aug. 8, '34	62.7	37.4	59.8	82.6	45.9	71.9

THIS ISSUE

The way the allotments are to be made, the objectives that have been set, and the benefits which will accrue from the spending by the Works Progress Administration of the \$4,880,000,000 appropriated by Congress last Spring, are reviewed comprehensively by Dr. Frederick L. Bird, Director of Municipal Research for DUN & BRADSTREET, INC., in his article "Spending Four Billions for Work Relief."

Both failures and bank clearings, which are classed among the leading barometers of business trends, made a favorable showing for July. The number of the former was the lowest for any July since 1920, excepting 1934, while the aggregate of the latter was the highest for any July since 1931.

In the "Graphic Reviews of Major Trends," special attention is directed to the spectacular rise in building permit values, the peak established by electric refrigerator sales, and the progress made by rayon, lumber, and tin, as indicated by production and consumption.



DR. FREDERICK L. BIRD
Director of Municipal Research for
Dun & Bradstreet, Inc.

SPENDING FOUR BILLIONS FOR WORK RELIEF

In this article Dr. Bird analyzes the spending program of the Works Progress Administration. The integral units of the program are enumerated and the problems confronting each are set forth in detail. A clear picture is shown of the enormity of the undertaking and of its basic social and economic significance.

WHEN Congress last Spring appropriated \$4,880,000,000 for work relief it was sanguinely anticipated that by July 1 the entire amount would have been allotted to appropriate projects, work initiated on the great majority of them, and the process of removing all employables from relief rolls well under way.

Such anticipations, unfortunately, failed to take account of the immensity of the task, the amount of planning and administrative machinery involved, and the many limitations which would circumscribe the swift spending of the huge fund. By the latter part of July, a preliminary report of the Works Progress Division discloses, allotments of \$1,499,992,805 had been made, to provide employment for 1,127,000 of the 3,500,000 jobless on the relief rolls. Fewer than 50,000 persons, other than enrollees in the Civilian Conservation Corps, had actually been put to work.

The work relief program, however, after various and sundry delays and shifting of plans, has finally assumed definite shape. The general policies for spending have been fairly well clarified, a cumbersome administrative set-up has been tinkered into more or less

workable form, and rapid progress in the transfer of people from relief rolls to works jobs may be expected from now on. A brief survey of the original objectives and the obstacles encountered in planning their realization will help to explain the lines of action now being followed and to estimate the probable results in reduction of relief rolls and useful work accomplished.

Provision of Work Primary Object

The primary objective of the work relief fund was the provision of work immediately, and for the period of a year, for the approximately 3,500,000 employable persons on relief. This was to be a chief means of effectuating the Administration's new policy of apportioning responsibility for handling the relief problem. Under the operation of the new arrangement the federal government was to be responsible for employables on the relief rolls, while other persons on relief were to be provided for by the State and local governments.

Looming prominently in the program, however, were several secondary but vitally important objectives. The terms of the Work Relief Act and the announcements

of members of the Administration conveyed the impression that spending for relief was to be combined with the most constructively useful program of public works in the nation's history. The picture conveyed was an alluring one to persons envisioning an auspicious beginning of comprehensive economic and social planning on a nation-wide scale to conserve the nation's resources and improve the social status of the masses. That the work projects were to have permanent social usefulness was both expressed and implied and emphasis was placed on plans for such unmistakably desirable undertakings as slum clearance, rural rehabilitation, flood control, soil conservation, rural electrification, grade crossing elimination, and elimination of stream pollution through provision of more and better sewage disposal systems.

While no great stress was placed on the moot subject of buying our way out of the depression, the nature of many of the types of projects stressed connoted stimulation of the durable goods industries still lagging behind in recovery. Further, among the President's expressed objectives was the desire to create self-liquidating projects which would ultimately

return as large as possible a proportion of the total fund to the treasury. Finally, and greatly complicating and limiting the Administration's planning, was the fear of appearing to place obstacles in the way of private business, by undertaking types of projects customarily controlled by private enterprise, competing for certain types of skilled labor, and entering fields which might discourage private investment. Concern over such matters has strongly influenced the choice of channels through which the relief program is beginning to function.

Relief Program Requirements Rigid

Finding useful projects, almost overnight, on which \$400 million a month could be spent was a job to tax the ingenuity of the ablest administrator. But evolving such a program with the additional requirement of meeting all the work relief program's objectives, primary and supplemental, was impossible of accomplishment—a stubborn fact which if faced at the outset of the undertaking would have saved time, avoided administrative confusion, and afforded some prospect of the work proceeding on schedule.

There was the President's firm insistence, to begin with, that the work relief fund must provide direct employment to the 3,500,000 employable men and women on relief. Suggestions that allowance might be made for their partial absorption through the indirect labor bound to be stimulated by the increased requirements for material and equipment were discarded as out of line with the pledges given. This ruling required, by mathematical inevitability, that the cost of all projects must average not more than \$1,143 per man per year. This figure had to include not only the worker's wage but the cost of material and equipment, land acquisition and other financial requirements. Such a limitation precluded all projects in which the labor cost was not the predominant item—a classification which debarred the great ma-

jority of public works projects of more or less permanent value, particularly in urban areas where unemployment was concentrated. It also necessitated the fixing of a very low wage averaging not more than \$50 a month.

Certain corollaries to this basic principle still further restricted the field of public works projects. It was logical that they be located in the seats of greatest unemployment—the industrial cities—and this minimized the opportunities for promoting in a large way the permanently useful conservation projects and brought conflict with high man-year cost as well as private enterprise. Projects, furthermore, had to be correlated with types of unemployment, which meant, among other things, that work, largely of a non-public works nature, had to be devised for the 300,000 or more professional and clerical workers, men and women, on relief. In an effort to assure equitable distribution of funds and to avoid as far as possible charges of partiality, a method of control was adopted which assigned each state and economic area its quota, based on the number of persons on relief and the cost of their maintenance. Part of the complexity of administering allotments concerned the fitting into these quotas of the heterogeneous flood of proposed projects.

Average Cost Limited to \$1,143

The allotment of funds began in earnest about the first of May and proceeded with all the speed which could be evoked from an unwieldy and not yet adjusted administrative machinery for over a month, when a preliminary check-up disclosed that fundamental rules were being violated. Allotments were threatening to exceed the quotas of some states while others had received only the beginnings of attention; some cherished projects were found to lie in areas where the labor supply was deficient; and, even more serious, the average man-year cost of projects already approved had greatly exceeded the \$1,143 standard. This

discovery brought delay for further revamping of the program.

A by no means negligible cause of the slowness in getting the work relief program under full steam has been the veritable maze of red tape involved in steering projects from their originating agencies through to final approval and release of funds, the highly complicated and cumbersome organization created to pass upon the various projects, and the failure to coordinate the direction of the work under a single responsible head. Project administrators with plans ready to go ahead have fretted and fumed and highly competent administrative staffs have labored day and night and exhausted ingenuity to find ways and means of expediting action, while the wheels within wheels of the directing organization have jammed or failed to synchronize. Back of the surplus of administrative machinery, and partially responsible for its creation, has been the struggle between Public Works Administrator Ickes and Federal Relief Administrator Hopkins for domination of the spending program—the former with convictions that projects are the thing to stress and the latter emphasizing jobs and the superiority of any sort of work relief to the dole.

When the President came to setting up his organization for spending the work relief fund he had two members of his official staff who already had been administering work relief in a large way—Mr. Ickes who had charge of spending the \$3.3 billion public works appropriation of 1933, and Mr. Hopkins who had been called in to expedite work relief through the CWA when the PWA fell short of expectations and who, as Director of the FERA, had built up his work relief rolls to over two million. To help administer the four billion dollar fund the President created three new agencies. The Works Progress Administration, with Mr. Hopkins as its head, was to have supervision of spending with a view to proper

coordination with quotas and the removable of employables from relief and to engage in such work relief undertakings as might be necessary to supplement the various federal and non-federal projects otherwise originated. The Division of Applications and Information, under Mr. Frank Walker, Director of the National Emergency Council, was to serve as a filing, expediting and final checking agency for projects and, apparently, as a possible co-ordinating agency for Directors Hopkins and Ickes. Finally, an Allotment Board, composed of certain cabinet members, other federal officials importantly concerned with the work relief program, and representatives of business, banking, labor, agriculture and city government, was to serve as the President's advisory council in passing judgment on projects before his final approval or disapproval. Mr. Ickes was made chairman of this group.

Projects are classified as federal and non-federal. Federal projects, those undertaken directly by the national government, may originate in any of the sixty-one federal agencies. Non-federal projects may be presented by any one of the 175,000 state and local divisions of government, but they must come up for consideration through the PWA or the WPA—the former if it is a public works project involving a loan and grant, and the latter if it is a work relief undertaking to be cared for mainly by federal expenditure. Prior to advancing through the labyrinth of checking and approving or vetoing agencies all projects were to be filed on precise and detailed forms, and at certain stages of the procedure, also run the gauntlet of the Bureau of the Budget, various legal checking agencies, the United States Treasury and the office of the Comptroller General. This somewhat simplified outline of procedure may convey some idea of why the work relief program has been slow to gain momentum.

45 Per Cent Grants to Municipalities

At one stage it looked as though Mr. Ickes and the PWA had been frozen out. Practically all municipal construction projects were found to be in the prohibitively high man-year cost class and it was decided, moreover, that none of the work relief appropriation could be spared for municipal loans on this basis. After considerable shifting of policies a comprise was effected whereby municipalities would receive grants equal to 45 per cent of the cost of their projects, provided this percentage did not exceed the \$1,143 man-year quota, and would be encouraged to borrow the remaining 55 per cent through private channels. Arrangement was further made for purchase by the RFC of \$250,000,000 of municipal securities held by the PWA to create a fund from which loans at 4 per cent could be made to municipalities unable to borrow elsewhere at more favorable rates.

This still left the PWA and WPA in competition for municipal projects. In an effort to avoid confusion a statement defining the types of projects which each agency was to handle was issued jointly, early in July, by Messrs. Ickes, Hopkins and Walker. Applications are to be submitted to Mr. Ickes' organization for construction projects costing more than \$25,000 and for slum clearance and low-cost housing projects. To Mr. Hopkins' organization are to go applications for non-construction projects, for small construction projects, and for other works projects, irrespective of size, involving a preponderance of labor in their cost.

Hopkins to Administer Appropriation

Major differences now appear to be ironed out, confusing policies fairly well clarified, and the complicated administrative machinery placed in running order. One development stands out most prominently, however. Relief Administrator Hopkins is, and will be, the dominant figure in administering the work relief appropriation. His

is the real responsibility for getting the 3,500,000 off the relief rolls, and half or more of the huge fund will go for work relief, mainly of the emergency type, under the Works Progress Administration. This appears inevitable because of the time required for planning and initiating major construction projects, the reluctance of cities to borrow more money, the financial incapacity of many, the opportunities for local officials to bargain over work relief terms, the demonstrated ability of Mr. Hopkins to put large numbers of people to work in a short period of time, and the financial limitations to further allotment of funds.

This last item is a particularly conclusive one. With less than a third of the total of 3,500,000 employables provided for, only about \$2,000,000,000 remains for allotment. Due to delay in initiating work relief and to failure of some states to carry out their part of the program, it has been necessary to set aside or earmark for direct relief under the FERA in 1935 and 1936 some \$1.4 billion of the work relief fund. For the 2,373,000 employables yet to be cared for there remains only about \$840 a person, and it is only through the most simple forms of work relief that the fund can be extended to cover its declared purpose.

Indications are that the work relief program will be well under way by November 1. It is too much to expect that it will have reached its fullest effectiveness by that time, or that all employables will have been eliminated from the relief rolls. Much depends on the amount of swing to Mr. Hopkins' "light construction" projects and the speed with which "white collar" jobs can be created. Probably not until next Spring will the program be hitting on all cylinders, and the need for continuing some direct relief, as has already been pointed out, will curtail somewhat the funds available for work projects.

Some conjecture may be offered, on the basis of developments thus far, as to the advantages, other

than the provision of relief, which may accrue to the country from the works program.

Rehabilitation Possibilities Important

As a program of capital construction for permanent national, social and economic benefit it falls far short of hopeful anticipations, but nevertheless will make a major contribution along lines of conservation and rehabilitation. Rural and suburban resettlement, soil erosion control and flood control, upon which probably more than \$500,000,000 will be spent, are making a strong and necessary attack on the problems of land planning and the conservation and reclamation of the nation's agricultural resources. A well-planned beginning of a coherent rural electrification program may be anticipated, with \$95,000,000 of an available \$100,000,000 going as 3 per cent loans to utility corporations for expediting the work. Highway construction and grade crossing elimination have been allotted \$400,000,000, but the red tape surrounding final approval of state plans has brought such delay as to make much actual construction doubtful this year.

The enrollment of the Civilian Conservation Corps calls for doubling to 600,000. Still short nearly 200,000, the full quota may not be reached; but all eligible young men will be cared for. Not only is the morale and training value to the youthful unemployed of vast national benefit, but in an unspectacular yet effective manner this civilian army is contributing broadly to the conservation and efficient utilization of the country's national resources. The recent creation of the National Youth Administration, to provide opportunities for combined educational and vocational training and maintenance for young people without removing them from their normal environments is one of the most finely conceived of the relief projects in offering aid to the solution of one of the depression's most serious social problems.

Municipal Construction May Lag

Of municipal public works construction on a loan and grant basis under the Public Works Administration relatively little may be expected. By the last of July some 269 projects had been filed, calling for the expenditure of \$58,000,000, and grants had been approved for slightly more than half of them. Although Mr. Ickes has decentralized his organization and established agencies throughout the states the results in new construction projects are not likely to be large. There exists a wide disinclination toward further municipal borrowing, where plans are not complete the time element is a deterring factor, and local officials incline toward the smaller project largely or entirely financed through Mr. Hopkins' organization, which also has field agencies in all the States.

A considerable number of small, self-liquidating municipal enterprises is a probable constructive result of the PWA campaign. If no extensive headway is made, however, in encouraging cities to increase their tax-supported debt at this time it will be an amenity in so far as municipal financial rehabilitation is concerned.

Housing Takes Minor Role

Low-cost housing and slum clearance, publicized as one of the keystones of the works program and unquestionably a crying need of our cities and one of the greatest opportunities for improving the lot of the low-income masses, is receding into a minor role and offers no solution either of the housing problem or of the problem of how to stimulate the long inactive building industry. Inability to lower costs under present construction methods to bring self-liquidating projects within the rent paying capacity of the poor, difficulties and delays in acquiring land at reasonable rates, the opposition of realty interests, and, now, a decision by the Circuit Court of Appeals in Cincinnati that the government has no right

to condemn property for housing purposes are among the factors which have conspired to thwart a far-reaching federal housing program. It is still Mr. Ickes' intention, however, to utilize the \$249,000,000 allotted for housing to undertake the construction of at least one low-cost housing project in each of fifty leading cities to serve as a model for both private property owners and possible future municipal construction.

For leadership in model, low-cost housing, however, the real opportunity rests with the Rural and Suburban Resettlement Administrations. If in the extensive social planning here involved the federal government should experiment scientifically with low-cost prefabricated homes, it might well start a revolutionary revival of the building industry which would accomplish more than any other factor in completing the process of economic recovery.

Light Projects are Major Element

With a minimized but still important program of permanent benefit, Mr. Hopkins' "light construction" and "white collar" projects loom up as the major product of the work relief program. This does not mean, however, that a return to the "leaf-raking" days is imminent. Great ingenuity is being shown in providing for such useful jobs as repairs to streets and public property, construction of parks, playgrounds and airports, secondary road repair and construction, malaria control, pest extermination and many other types of projects of the same order. Municipalities will unquestionably benefit materially through having their deferred maintenance problems solved and their facilities broadened and modernized. Many of the jobs for professional and clerical people will involve statistical and survey projects, carefully coordinated by the Central Statistical Board, which will provide government and business with much useful and needed data.

From the work relief program in concluded on page 44

GRAPHIC REVIEWS

ELECTRIC REFRIGERATORS

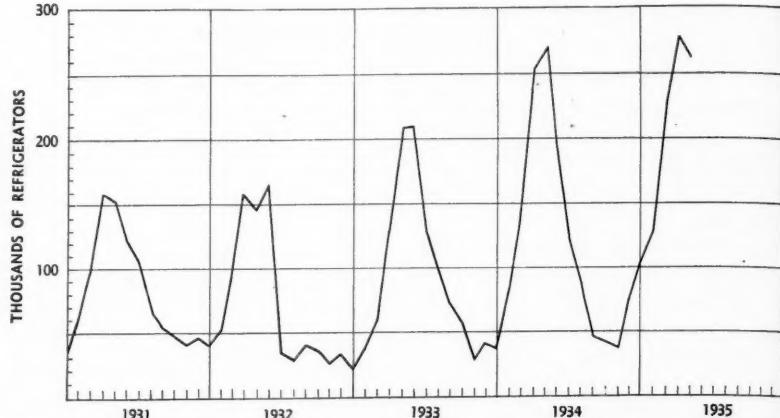
THE household electric refrigerator industry bettered all previous performances during the first five months of this year.

Industry manufacturers sold approximately 1,000,000 refrigerators to all distributing outlets during this period, according to preliminary estimates by the *Electric Refrigeration News*. This represented an increase of about 26 per cent above the hitherto record five-month period of 1934, when the estimated total was 793,500 units. The 1935 sales figure thus far is likewise more than double any other five-month period prior to last year.

During May, industry sales to dealers and distributors were placed at 261,100 units, or about 3 per cent below May of last year, when 268,600 refrigerators were shipped by manufacturers. This was the first time this year that sales declined in comparison with the same month of last year. The May figure also was 6.4 per cent under the April shipments of 279,100, which established a new all-time sales peak for the industry.

Although sales from June on to the end of the year usually tend to decrease gradually, it is confidently expected by the industry

HOUSEHOLD ELECTRIC REFRIGERATOR SALES



Apparently household electric refrigerators are headed for a new production and sales peak during 1935. Shipments for five months totaled 1,000,000 units, or 26 per cent above the same period last year.

generally that total sales of refrigerators for 1935 will run close to the two-million-mark.

Sales of Household Electric Refrigerators *

	1935	1934	1933	1932	1931
Jan.	103,400	38,000	19,400	39,400	22,700
Feb.	128,400	82,500	36,200	52,600	54,700
Mar.	228,000	149,000	59,200	91,500	96,600
Apr.	279,100	255,400	127,400	158,300	159,500
May	261,100	268,600	208,200	144,200	153,500
June	.....	187,600	208,700	163,300	122,200
July	.....	122,400	127,300	33,500	103,800
Aug.	.....	87,700	93,100	28,900	69,800
Sept.	.....	49,300	72,300	38,100	53,200
Oct.	.....	41,600	56,700	34,100	48,100
Nov.	.....	35,700	27,900	26,300	39,600
Dec.	.....	75,800	39,300	30,100	41,500
Year	.....	1,390,600	1,080,700	840,300	965,000
5 mos.	.....	1,000,000	793,500	450,400	486,000

* Source: Electric Refrigeration News.

BITUMINOUS COAL PRODUCTION

BITUMINOUS coal mining was considerably reduced from previous months, despite the upturn which took place in the closing weeks of July. Stocking against possible labor difficulties was absent and the total output for the month fell to 22,252,000 tons, a decrease of 26.0 per cent from the preceding month, and of 10.5 per cent under the same month of last year.

Production for the first seven months of 1935, however, is about 2 per cent ahead of 1934, the output for this year totalling 211,146,000 tons for the period.

Monthly Bituminous Production *

	(Tons)	1935	1934	1933
Jan.	36,393,000	33,371,000	27,868,000	
Feb.	34,781,000	32,606,000	27,915,000	
Mar.	38,848,000	38,470,000	24,413,000	
Apr.	21,920,000	24,599,000	19,805,000	
May	26,790,000	27,385,000	22,531,000	
June	30,067,000	25,877,000	25,461,000	
July	22,252,000	24,869,000	29,675,000	
Aug.	.....	27,452,000	34,421,000	
Sept.	.....	27,772,000	29,715,000	
Oct.	.....	32,807,000	30,294,000	
Nov.	.....	30,856,000	31,184,000	
Dec.	.....	32,331,000	30,349,000	
Total.	.....	358,395,000	333,631,000	

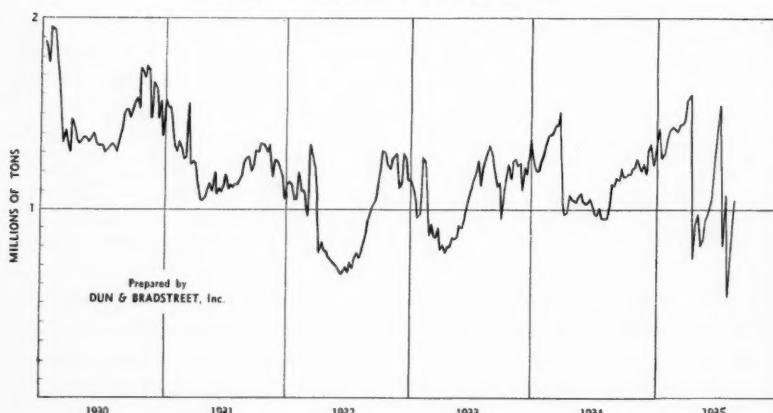
Weekly Bituminous Production *

(Daily Average Output, Tons)

	1935	1934	1933
July 27...	1,047,000	1,003,000	1,258,000
July 20...	912,000	974,000	1,203,000
July 13...	769,000	989,000	1,161,000
July 6...	513,000	1,024,000	1,106,000
June 29...	1,080,000	1,075,000	678,000
June 22...	805,000	1,000,000	693,000

* Source: U. S. Bureau of Mines.

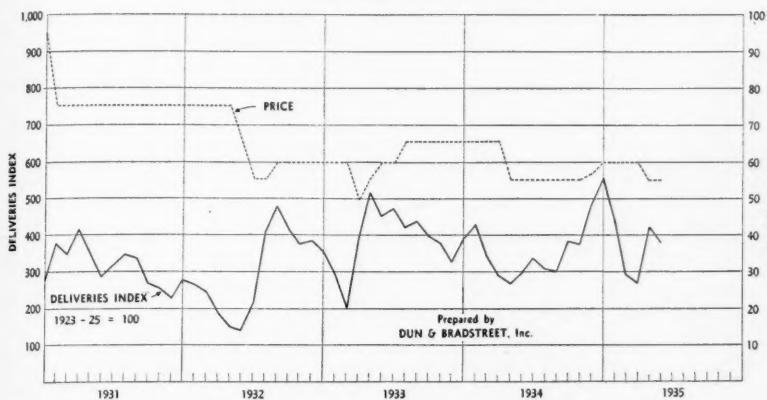
BITUMINOUS COAL PRODUCTION



The chart shows the weekly movement of daily average production. The July average of 856,000 tons daily, was considerably lower than in June, and was about 14 per cent below the daily average of July, 1934.

OF MAJOR TRENDS

RAYON CONSUMPTION INDEX



After remaining at the 60-cent level from January to April, rayon quotations were reduced to the former price of 55 cents per pound. The decline in deliveries during June was less than is seasonally normal.

THE RAYON INDUSTRY

THE rate of rayon (non-acetate) yarn deliveries to American mills during June, as measured by the *Textile Organon* index of deliveries, declined to 376 per cent of the 1923-1925 average from 417 in May, and compared with a 1934 monthly average of 353. This drop of 10 per cent from May to June, the *Organon* states, was less than is seasonally normal, with the result that the adjusted index increased from 439 in May to 470 in June.

As further reported by the *Organon*, the record of rayon consumption during the last few months shows that all the main rayon consuming industries have followed a fairly definite pattern since last January. The large January yarn deliveries, caused by the December price rise, were far in excess of the yarn put into fabrication during that month. From February to April, when the price was reduced to its old level, the fabrication of yarn proceeded apace, but rayon deliveries to mills decreased more than did the yarn put into consumption by the fabricators, because the yarn stocks in the hands of fabricators were reduced. By the end of May, this liquidating process had essentially

ended and a concurrent business pick-up resulted in increased yarn deliveries to fabricators for their current use.

The following table presents the unadjusted indices of rayon deliveries, compiled by the *Textile Organon*:

	(1923-1925 = 100)	1935	1934	1933	1932	1931
Jan.	553	383	353	273	279	
Feb.	441	422	293	265	376	
Mar.	295	340	201	246	347	
Apr.	274	290	302	186	413	
May	417	286	517	148	352	
June	376	305	450	137	288	
July	334	470	213	314		
Aug.	307	420	406	349		
Sept.	308	433	478	335		
Oct.	382	399	413	268		
Nov.	386	371	371	255		
Dec.	488	324	382	225		
Average....	—	353	385	293	317	

* Source: Association of American Railroads.

FREIGHT CARLOADINGS

THE trend in carloadings was lower during July, reflecting partly the usual Summer lull in business and the decline in coal shipments, following the temporary settlement of labor difficulties in that industry. Total loadings during July were almost 10 per cent under June and about 5 per cent below July last year, as compared with a drop of about 1 per cent in June from a year ago.

Loadings for the year to date totalled 17,404,794 cars, a loss of 2.1 per cent, compared with the like period of 1934, but an increase of 9.9 per cent above the corresponding 1933 period.

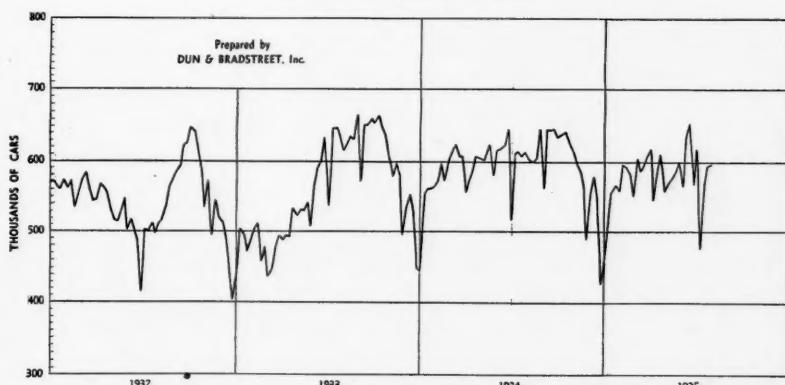
Carloadings by commodity groups for the first thirty weeks of this year and last, compare as follows:

	1935	1934	Change P. Ct.
Miscellaneous freight..	6,691,339	6,639,738	+ 0.8
Merchandise (L. C. L.)	4,640,769	4,796,798	- 3.8
Coal	3,519,488	3,559,618	- 1.1
Forest products.....	740,118	683,462	+ 8.8
Ore	469,983	445,975	+ 5.4
Coke	193,979	218,297	- 1.1
Grain & grain products	790,152	949,260	- 16.8
Livestock	358,966	494,494	-27.4

Carloadings by Weeks *

	1935	1934	1933
July 27.....	596,462	610,042	644,839
July 20.....	593,368	616,040	656,380
July 13.....	566,488	604,192	653,661
July 6.....	472,421	520,741	543,510
June 29.....	618,086	646,008	641,730
June 22.....	567,847	623,322	609,627
June 15.....	653,092	618,881	592,729
June 8.....	630,836	616,768	569,157
June 1.....	565,342	579,656	512,974
May 25.....	599,543	625,990	545,551

FREIGHT CARLOADINGS



Freight carloadings tended lower during July, bringing the total loadings for the year to date to 17,404,794 cars, a decrease of 2.1 per cent from the 1934 period, but an increase of 9.9 per cent above 1933.

GRAPHIC REVIEWS

BUILDING EXPANDS FURTHER

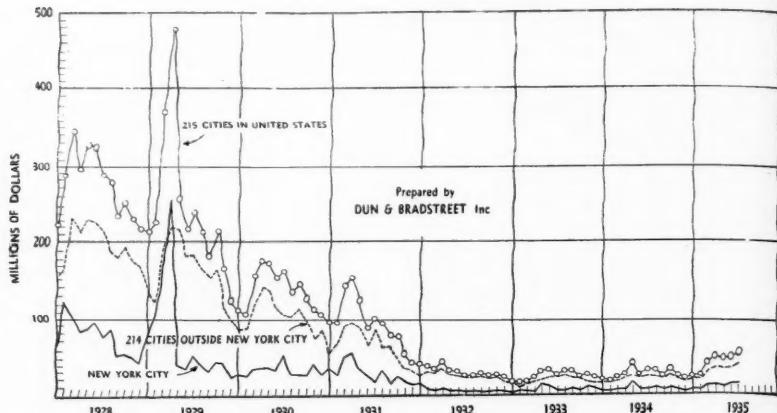
A CONTRASEASONAL increase in building activity took place during July. Instead of the normally expected decrease of about 10.5 per cent for this period, the actual dollar volume of contemplated building in July showed a rise of 2.8 per cent over June. Moreover, as compared with July a year ago, the increase approximated 60 per cent, and marked the seventh consecutive month to register a gain over the corresponding month of the previous year.

The group totals of building permit values for 215 cities for July, 1935 and 1934, are shown in the following table:

Groups:	July, 1935	July, 1934	Change
			P. Ct.
New England...	\$3,046,615	\$5,327,187	-42.7
Middle Atlantic...	16,405,334	12,327,292	+33.1
South Atlantic...	6,243,688	3,079,583	+102.8
East Central...	9,889,348	5,111,437	+93.5
South Central...	4,180,102	2,062,951	+102.7
West Central...	5,064,681	1,693,936	+199.1
Mountain...	1,697,843	915,738	+85.4
Pacific...	7,664,181	3,351,576	+125.5
Total U. S. ...	\$54,191,787	\$33,899,650	+59.8
New York City...	\$11,218,613	\$7,908,885	+41.8
Outside N. Y. C. \$42,978,174	\$25,990,765	+65.2	

All except the New England section reported substantial improvement in contrast with July, 1934. Comparing the July results with June, however, four groups were higher and four lower. Among the former, the West Central made the

BUILDING PERMIT VALUES



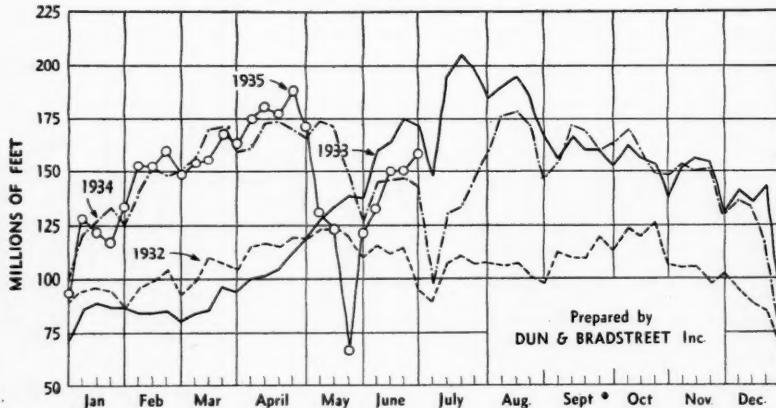
A further rise in the estimated value of permits issued was noted for July. The increase over June was equal to 2.8 per cent, and compared with a seasonally expected decrease of 10.5 per cent at this time.

best showing with a gain of 92.2 per cent, followed by the Mountain, East Central and South Atlantic, with increases of 70.1, 21.8 and 3.6 per cent, respectively. Declines in other groups ranged from 3.3 in the Pacific to 25.2 per cent in New England.

Building Permit Values (Monthly)

	1935	1934	1933
Jan.	\$26,826,268	\$20,825,055	\$17,744,805
Feb.	27,036,367	19,326,964	17,161,943
Mar.	45,063,852	25,505,005	17,798,441
April	51,717,570	29,280,666	22,091,417
May	49,322,110	43,825,268	31,525,528
June	52,672,794	28,621,565	34,098,384
July	54,191,787	33,899,650	29,484,891
Aug.	34,452,738	32,391,868	—
Sept.	26,567,925	32,243,704	—
Oct.	37,501,122	26,198,342	—
Nov.	27,459,066	28,021,688	—
Dec.	21,125,723	24,915,270	—
Total....	.....	\$348,890,747	\$813,676,276

LUMBER PRODUCTION



The chart pictures the weekly movement of lumber production during the past four years. Although output in June showed some improvement over May, it was considerably below the high level of earlier months.

THE LUMBER INDUSTRY

WITH the improvement in labor conditions on the Pacific Coast, lumber production showed some increase during June. Average weekly production for the month for the country, as a whole, totalled 143,378,000 board feet, as compared with 123,856,000 in May. The June figure was considerably below the high level of production obtaining during April, but was 6.5 per cent greater than in June a year ago.

The weekly average of shipments during June amounted to 149,613,000 board feet, a sharp decline from May, but an increase of 25.7 per cent, when compared with the corresponding month of last year.

Lumber Statistics *

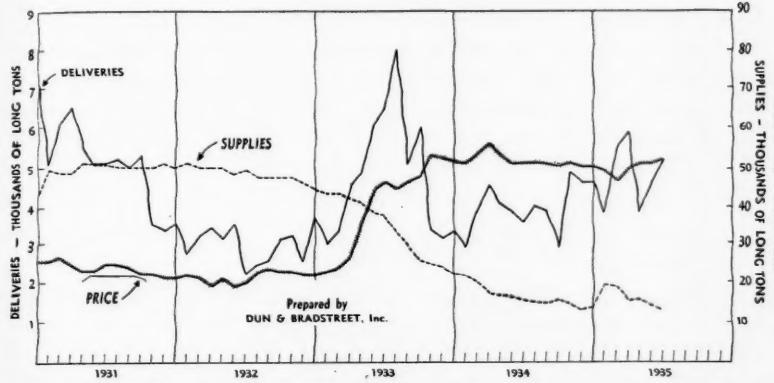
(Thousands of Board Feet)

	Production (Weekly Average)	June, 1935	May, 1935	April, 1935	June, 1934
Softwoods	134,136	114,324	166,914	125,168	9,242
Hardwoods	9,532	13,926	9,475	—	—
Total	143,378	123,856	180,840	134,643	—
	Shipments (Weekly Average)	June, 1935	May, 1935	April, 1935	June, 1934
Softwoods	139,179	158,643	185,753	111,627	10,434
Hardwoods	10,472	14,812	7,451	—	—
Total	149,613	169,115	200,565	119,078	—
	New Orders (Weekly Average)	June, 1935	May, 1935	April, 1935	June, 1934
Softwoods	138,061	172,614	195,948	111,954	10,717
Hardwoods	10,233	14,079	6,295	—	—
Total	148,778	182,847	210,027	118,249	—
	Unfilled Orders (End of Month)	June, 1935	May, 1935	April, 1935	June, 1934
Softwoods	729,811	725,808	657,492	645,121	—
Hardwoods	152,307	160,711	158,378	123,977	—
Total	882,118	886,019	815,870	769,098	—

* Compiled from weekly reports of the National Lumber Manufacturers' Association.

OF MAJOR TRENDS

TIN DELIVERIES, SUPPLIES AND PRICE



World tin supplies showed a further drop of 1,113 tons in July, bringing total stocks at the end of the month to the lowest point since 1919. Prices at New York rose to the highest level since May, 1934.

WORLD TIN SUPPLIES LOW

THE world's visible supply of tin declined 1,113 tons during July, according to latest advices received by the Commodity Exchange. The total at the end of the month stood at 13,162 tons, as against 16,313 tons on the comparable day of last year. The July drop brought the current level of stocks to the lowest point since 1919.

Coincident with the decline in stocks, the price structure has been very firm. Average prices for Straits tin at New York rose to 52.29c. per pound during July from the March low average of 46.91c., and represented the highest level reached since May, 1934, when the average price paid for tin was 53.52c. per pound.

World's Visible Tin Supplies *

	(Long Tons)	1935	1934	1933	1932
January	14,694	22,476	44,223	50,043	
February	19,652	21,694	43,160	51,300	
March	19,116	20,423	43,528	50,780	
April	16,614	17,944	42,541	50,716	
May	16,718	17,371	41,883	50,562	
June	14,275	17,251	39,964	48,945	
July	13,162	16,313	38,043	49,125	
August	15,494	15,534	43,534	47,177	
September	15,386	30,162	47,739		
October	16,475	27,940	47,048		
November	15,094	26,075	47,471		
December	13,898	23,812	45,796		
Average...	17,448	36,239	48,892		

* Source: Commodity Exchange, Inc.

American tin deliveries during July totalled 5,290 tons, as compared with 4,615 tons in the previous

ELECTRICITY PRODUCTION

TOTAL output of electricity in June was 7,872,000,000 kilowatt-hours, according to the Geological Survey. This was a loss of 1.9 per cent from May, but exceeded April by 0.7 per cent.

On a daily average basis, however, June production was equal to 262,400,000 kilowatt-hours, or a rise of 1.5 per cent above the daily average for May, as against a normal gain of 1.8 per cent.

Monthly Electricity Production *

	1935	1934	1933	1932
January	8,349	7,631	6,965	7,567
February	7,494	7,049	6,297	7,023
March	8,011	7,717	6,687	7,323
April	7,811	7,443	6,473	6,790
May	8,021	7,683	7,013	6,650
June	7,872	7,472	7,242	6,563
July	7,605	7,491	6,547	
August	7,710	7,688	6,764	
September	7,206	7,350	6,752	
October	7,831	7,479	7,073	
November	7,606	7,243	6,952	
December	8,058	7,470	7,149	
Total	91,011	85,403	83,153	

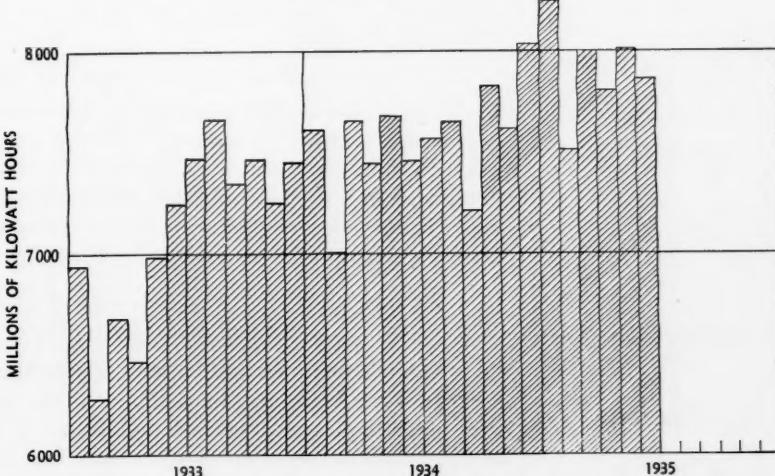
* Source: U. S. Geological Survey.

Weekly Electricity Output *

	1935	1934	1933
July 27	1,823,521	1,653,542	1,662,000
July 20	1,807,037	1,663,771	1,654,000
July 13	1,766,010	1,647,680	1,648,000
July 6	1,655,420	1,555,844	1,539,000
June 29	1,772,138	1,688,211	1,656,000
June 22	1,774,654	1,674,566	1,598,000
June 15	1,742,506	1,665,358	1,578,000
June 8	1,724,491	1,654,916	1,542,000

* Source: Edison Electric Institute.

ELECTRIC POWER PRODUCTION



Although total production of electricity during June showed a decline of almost 2 per cent from May, the output on a daily average basis rose 1.5 per cent, against a normal increase of about 1.8 per cent.

THE BUSINESS MONTH REPORTED

1st Federal Reserve District



POPULATION—7,834,000; PER CENT TOTAL U. S.—6.32

Retail distribution definitely upward during July, despite heat wave; increase over comparative 1934 period averaged from 3 to 8 per cent. Tourist traffic heaviest in nearly a decade. Wholesale buying restricted, but Fall orders ahead of last year's. Average of industrial operations above June. Cotton goods production continued curtailed; woolen mills booked for several months at current schedules. Shoe output increased. Marked improvement in heavy machinery lines and building work.



2nd Federal Reserve District



POPULATION—16,343,000; PER CENT TOTAL U. S.—13.12

Rapid spread of consumer buying carried retail sales to largest July volume in years; total 6 to 10 per cent above 1934 figures. Trade shows helped to swell wholesale volume, which was further buoyed by firmer prices and imminence of delivery delays. For fourth successive month prices of stocks advanced; total transactions on New York Stock Exchange 29,429,387 shares, against 22,339,512 in June and 21,115,885 in July, 1934; trading exceeded million shares on fifteen days.



3rd Federal Reserve District



POPULATION—7,619,000; PER CENT TOTAL U. S.—6.14

While excessively high temperatures retarded consumer buying, retail sales averaged 4 to 12 per cent better than in July, 1934; stocks of Summer goods nearly cleared. Fall wholesale orders heavier than a year ago, except in dry goods. Industrial operations 15 to 20 per cent higher than for July, 1934; steel rate nearly double last year's; heavy melting scrap prices moved up sharply. Production of plumbing, heating, and electrical equipment 15 to 20 per cent larger than last year's.



4th Federal Reserve District

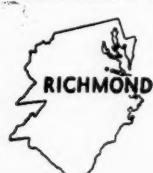


POPULATION—11,407,000; PER CENT TOTAL U. S.—9.19

Unusual upturn in retail sales during July, ordinarily one of the dullest months of year. Expanded Fall wholesale orders reflected improved farm buying power; widest gains in farm implements, hardware, paints, housefurnishings, groceries, and clothing; textile buying retarded by processing tax confusion. With exception of coal, industrial activity increased; unexpected rise in steel rate. Some makers of machinery back to 1931 schedules. Die factories rushed to fill orders.



5th Federal Reserve District

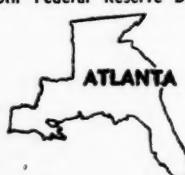


POPULATION—11,073,000; PER CENT TOTAL U. S.—8.92

While some lines were below the Midsummer level of 1934, in the majority the average was higher both in unit and money volume. Largest gain in retail sales. Wholesale volume made less favorable showing, especially in groceries, shoes, and paper. Fall outlook improved by higher prices for enlarged tobacco crop. Furniture manufacturers well employed. Cigarette factories on full time; sales of other tobacco products off. Crops in good condition. Building improved.



6th Federal Reserve District



POPULATION—11,339,000; PER CENT TOTAL U. S.—9.14

Intense heat reduced volume of retail trade toward close of month, with small merchants reporting largest decline; sales ranged 10 to 20 per cent above July, 1934, total. Fewer clearance sales in evidence. Steady flow of fill-in orders to wholesalers; retailers awaiting developments before making Fall commitments. Reports from rural sections indicated good crops, with prices satisfactory. Encouraging expansion in building operations. Steady weekly rise in rate of steel production.

BY FEDERAL RESERVE DISTRICTS

POPULATION—18,606,000; PER CENT TOTAL U. S.—15.00

Industrial output at higher average than year ago, with widest gains in steel, farm equipment, motors, and heavy lines. Building permits nearly double last year's. Hog prices touched five-year peak during month; cattle continued firm. Retail volume largest for any July in several years. Wholesale buying widened by visitors to various trade shows; biggest attendance on record for some events. Fall buying budgets advanced 10 to 15 per cent. Mail-order houses equalled June gains.

7th Federal Reserve District



POPULATION—9,676,000; PER CENT TOTAL U. S.—7.82

With demand broadening abruptly during last half of month, retail sales rose 15 to 20 per cent above comparative 1934 total. Fall wholesale orders only slightly ahead of last year's; good crops and depleted inventories indicate best season since 1930. Level of industrial operations raised. Stove plants at capacity; full schedules maintained by manufacturers of electrical goods. Shoe output 2 to 3 per cent ahead of year's comparative. Building work increased; rents advancing.

8th Federal Reserve District



POPULATION—5,370,000; PER CENT TOTAL U. S.—4.35

General business in this district for July exceeded expectations, with industrial concerns, wholesalers, and retailers reporting absence of seasonal slackening. Despite serious damage to Spring wheat by black rust, Northwest to harvest largest crops in nearly a decade. Uptrend in industrial operations headed by electrical equipment, automobile parts, farm implements, and machine tools. Abrupt drop in unemployment. Flour market quiet. Tourist traffic heaviest in last five years.

9th Federal Reserve District



POPULATION—7,967,000; PER CENT TOTAL U. S.—6.42

Higher prices for wheat and hogs benefited retailers; some merchants reported sales as high as 20 to 25 per cent above last year's. Wholesale volume averaged 10 to 15 per cent larger, due to rush orders for immediate needs; Fall buying of moderate proportions, but outlook is best in several years. Stocks nearly depleted. Operations in lumber mills steady; flour milling situation unimproved. Sharp reduction in relief rolls. Crop conditions spotty, due to storms and black rust.

10th Federal Reserve District



POPULATION—7,078,000; PER CENT TOTAL U. S.—5.72

Most encouraging development of month was the improvement in some of the heavier basic industries, including mill and industrial machinery, hardware, building materials, plumbing supplies, and chemicals. Retail trade recovered from sluggishness of June, with volume 5 to 12 per cent above last year's; total for seven months up 20 to 30 per cent. Wholesale markets buoyed by encouraging crop prospects; largest Fall trade in five years foreseen. Wide expansion in building lines.

11th Federal Reserve District



POPULATION—9,758,000; PER CENT TOTAL U. S.—7.86

Heaviest vacation and tourist travel in nearly a decade and partial settlement of lumber strike brought retail trade for July close to the high point for the year. Marked advance in wholesale buying in all lines; future commitments largest in months, due to low stocks. Course of manufacturing operations upward. Motion picture production further advanced. New oil drilling and mining exploration continued. Canned fruit and vegetable markets rather quiet. Crop conditions good.

12th Federal Reserve District



AUTOMOBILE SALES RUNNING AHEAD OF EARLY ESTIMATES

THE automobile industry has succeeded in reaching a stronger position than at any time since 1929, making its most rapid strides since the annual shows in January. The new models widened demand sufficiently to give an almost uninterrupted rise in output. Production of cars and trucks in the first half of 1935 will exceed that of the first six months of 1934 by more than half a million units. In fact, it now seems possible that output this year may run well ahead of the 20 to 25 per cent increase over 1934, which was earlier accepted as a conservative estimate, and may come close to 30 per cent.

Any consideration of automotive activities during the remaining six months must account for two factors. First, the used-car situation. Although current stocks are regarded as not excessive, turnover is at a slower rate, and many dealers are hampered in their operations, because their profits are tied up in used cars. Second, the November Automobile Show. This early display of new models automatically will curtail the 1935 selling season. If retail demand continues at the present level, 1935 models may be kept on the assembly lines until late September, though some factories have set the middle of August as a deadline. It seems certain, however, that the "Big Three" will have adequate stocks of new models available by November 2.

In general, no radical changes are contemplated in 1936 offerings. Modifications will affect chiefly the body lines, such as new hoods and fenders, with die changes nominal. One concern manufacturing cars in the low-price bracket doubtless will make

Distribution of automobiles running 20 to 100 per cent ahead of year ago, with average for first five months 35 to 40 per cent higher than in 1934. Sales for year expected to exceed all totals back to 1929. Demand may cause postponement of start on 1936 production until after Fall show.

certain distinctive changes. Another important manufacturer plans to introduce a new twelve-cylinder car nominally priced, while one of the independents will return to its previous policy of turning out custom-built cars at a slightly higher price.

Largest Output Since 1929

Automobile manufacturing has experienced an exceptional recovery thus far in 1935, with output for the first five months exceeded only in 1926 and 1929 in the history of the industry. The upswing that started in April, 1933, gathered sufficient momentum to enable output in every month in 1934, with the exception of September and October, to exceed the comparative totals of the year preceding, and the advantage was maintained by a higher percentage in the first five months of 1935. With production in April the highest for any month since August, 1929, the number of automobiles produced in the United States from January to May, inclusive, reached 1,900,817 units, an increase of 35.0 per cent over the 1,407,786 units turned out in 1934.

This increase followed a gain of 43.4 per cent in 1934, when United States automobile production advanced to 2,753,111, from 1,920,057 units in 1933, and 100.9 per cent above the 1932 total of 1,370,678. While estimates for the combined production of United States and

Canada for 1935 range from 3,525,000 to 3,600,000 units, it now seems assured that all totals will be exceeded back to 1929. In the latter year, the all-time peak was established at 5,621,715. Production for 1936 is being estimated at 25 to 30 per cent in excess of the 1935 figures, although some of the small makers are planning for an even larger increase.

Registrations Still Rising

The expansion of automobile sales since the uptrend started in the Spring of 1933 has broadened to such an extent that for some months of 1935 new passenger car registrations have doubled the comparative 1934 figures, with the increase for the first quarter set at 72.6 per cent. At the close of 1934, registrations totalled 24,926,185, a gain of 4.7 per cent over 1933, making the first increase that had been recorded since 1930. This compared with world registrations of 37,927,121, as of December 31, 1934.

The gain of 72.6 per cent in new passenger car registrations in the first quarter of 1935 lifted the total 43.9 per cent above the five-year average for that period, despite the wide variance that appeared in the percentages of gain recorded for the different sections of the country. With the exception of the New England States, the gain for every district was in excess of 50 per cent, with the Pacific Coast States leading with an advance of 90.4 per cent. The East North Central group was second with an increase of 88.3 per cent. The gain for the New England States over the 1934 figures amounted to only 46.9 per cent.

Used-Car Sales Slow

Retail sales have followed closely the trend of production, as dealer stocks are reported to be in normal condition and have reached the highest level in three years. In line with the sharp increase in new-car sales, however, dealers have accumulated large inventories of used cars. This has created a serious problem in the industry, as there practically is no credit available for the dealer, other than under the "floor plan" method of financing.

As a result, there has been no credit expansion accompanying the increased sales volume, and dealers have had to carry the heavy used-car load on their own capital, which has been stretched to the breaking point in a large number of cases. Used-car sales at present are reported to be steady but slow.

Prices have shown no marked increase during the current year. Financing in the automotive field is confined principally to consumers' purchases. The trend this year has been toward longer-term contracts, with sixteen-month contracts about as numerous as those for twelve months. This is in line with the desire of the consumer not to obligate himself beyond his ability to pay. Collections on all types of contracts have been good and there has been practically no foreclosing.

Atlanta

Retail distributors of low and medium-priced cars report output in both value and units at a level of about 10 per cent higher than a year ago, but with April and May retarding an otherwise healthy gain for the comparative period. Car dealers have all suffered from a glutted used-car market, with merchandise on hand increased from 75 per cent to 100 per cent over a year ago.

Baltimore

Distribution of new cars in Maryland during the first five months of the year showed an increase in units of 59 per cent over the corresponding period of 1934.

The used-car market has been unusually active during the entire season, the improved earning power generally being viewed as an important contributing factor.

Boston

The registration of all cars in Massachusetts for the first five months of 1935 was 774,621, compared with 760,000 in 1934. The unseasonal weather slowed down sales somewhat this year and more stable conditions in the industry have caused volume to be more evenly distributed by months instead of having all sales crowded into a brief period.

Cincinnati

During the first five months of 1935, there were 8,094 new cars registered in Hamilton County, as compared with 5,937 during the same period in 1934. Used cars sold during the first five months of 1935 amounted to 31,326, by a comparison with 25,884 during the same months of 1934.

Cleveland

New passenger car sales in Cuyahoga County in the first five months of 1935 increased nearly 70 per cent over the corresponding period of 1934. Used-car sales were up 51 per cent, and truck registrations showed a gain of 23 per cent. Registrations of new passenger cars in Ohio in the first four months increased 68 per cent, while commercial car registrations were 26 per cent greater.

Dallas

During the first five months of 1935 there were 6,192 new motor vehicles registered at Dallas. This represented an increase of 40 per cent, as compared with the registrations for the corresponding period of 1934. The combined figures of a representative list of dealers showed a unit turnover in used cars of 118 per cent, and a value turnover of 107 per cent for May.

Detroit

Automobile manufacturing, which is centered in Detroit, has experienced an exceptional recovery during 1935. Production for the first five months of the current year totalled 2,035,883 units, compared with 1,474,443 units for the corresponding period of 1934, or an increase of approximately 38 per cent.

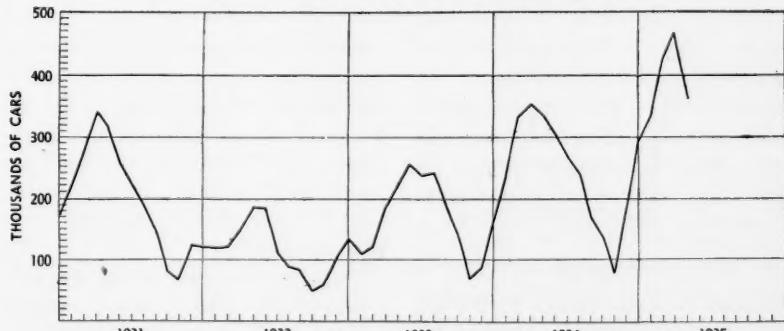
Only in 1926 and 1929 in the history of the industry has production exceeded that of the current year.

Indianapolis

New-car sales for the first five months of 1935 showed a gain of approximately 60 per cent over the same period of 1934. The high peak of distribution was reached in March, April showing a decline of 5 per cent from the previous month, and May showing a drop of 18 per cent over April.

Used cars were in rather strong demand, but stocks held by the dealers were considerably larger than the 1934 figures.

UNITED STATES AUTOMOBILE PRODUCTION



With production in April the highest for any month since August, 1929, the number of automobiles produced in the United States from January to May, inclusive, reached 1,900,817 units, an increase of 35.0 per cent over the 1,407,788 units turned out in 1934. This increase followed a gain of 45.0 per cent in 1934.

Kansas City

The representative new-car dealers report that sales for the five months of this year exceeded the total for 1934. Despite unfavorable weather during the month of May, sales showed a substantial increase over May of 1934, some dealers reporting a gain of as much as 100 per cent.

Los Angeles

Automobile production and sales in this district always correspond as manufacturing is done only for orders. Production averages 150 to 175 per cent ahead of the same period of 1934. This applies to both value and units, as price changes have been negligible.

Milwaukee

Many concerns report the best volume since 1930, with sales running from 20 to 35 per cent ahead of last year's. Prices have held steady. Local dealers report the demand so brisk for some makes that it is difficult to meet delivery dates. The present outlook is for continued improvement in the industry.

Norfolk

Dealers' sales are up an average of 15 per cent, ranging from 20 to 25 per cent on the smaller cars down to about a 10 per cent gain in the medium-priced and high-priced cars. While there is some uncertainty in the trade as to the future of the code, the local tendency is to carry out voluntarily all code provisions.

Omaha

Passenger cars for the first five months registered in Douglas County were 3,208, as against 2,597 for the same period last year. Interest has been evident principally in the popular-priced field, and the optimism expressed by dealers in this class, as reported in January, apparently was well founded.

Pittsburgh

Sales of automobiles thus far this year have been materially greater than they were in 1934, and many similar periods since 1930.

For the first five months of 1935, new registrations of passenger cars in Allegheny County, which includes Pittsburgh, exceeded those for the same period of 1934 by nearly 50 per cent.

While commercial cars did not show a similar gain, registrations for the first five months of this year were more than 10 per cent greater than in the 1934 period.

Portland, Ore.

Sales of automobiles here during the first five months of 1935 practically were double those for the same period last year. While the bulk of the volume was in the lower-priced field, demand for the better cars increased noticeably over the past year or two.

Richmond

Automobile distributors report unit sales for the first five months of 1935 about 25 per cent ahead of those for the comparable period of 1934. The marked activity in new jobs naturally has been accompanied by substantial additions to used-car inventories. Consequently, dealers generally are stocked beyond the demand point, and the movement of this surplus has become a serious problem.

Rochester

Sales for the first five months of this year, in comparison with the first five months of 1934, were 53 per cent ahead. A large percentage of sales continues to be made in cars retailing at \$1,000.

While in the class of \$1,200 to \$1,500 some increase has been made over a year ago, it has been small.

Seattle

Dealers in new automobiles in Seattle report increases in sales for the first five months of 1935 at 50 per cent over those for the same period in 1934. However, the month of May saw a drop, resulting in sales about equaling the 1934 figures.

This decrease is partly attributed to the labor difficulties encountered in this section during May as well as legislation put into effect to tax all sales.

Further Failure Reduction

With the number of failures for the first five months of the current year totalling only 113 for manufacturers, wholesalers, and retailers of automobiles, supplies, and accessories, and the involved liabilities reduced to \$1,457,834, the downturn of bankruptcies which started in 1932 has become more accentuated. As far as the defaulted indebtedness is concerned, the curtailment thus far this year has been most pronounced in the manufacturing division, while the drop in number has been larger among distributors.

This improvement followed a reduction of 40.2 per cent in the number of bankrupt concerns recorded for 1934, as compared with the showing of 1933, while in the latter year there was a decline of 60.4 per cent from the 1932 total. The all-time high for the number of failures in the automobile industry was reached at 1,351 in 1930, but it was not until 1932 that the money lost through failures established a peak at \$38,347,401.

The complete insolvency record of the automobile industry since 1930, including the elapsed five months of 1935, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

(Automobiles, Automobile Supplies and Accessories)		
Year	Number	Liabilities
1930	196	\$5,410,562
1931	114	2,832,290
1932	115	10,965,517
1933	34	972,514
1934	24	3,307,455
1935*	14	317,556

Wholesalers and Retailers

(Automobiles, Automobile Supplies and Accessories)		
Year	Number	Liabilities
1930	1,155	\$23,733,170
1931	824	15,895,764
1932	872	27,441,884
1933	357	9,509,054
1934	210	5,098,997
1935*	99	1,140,278

(*) January to May, inclusive.

These statistics of commercial failures are exclusive of applications under Section 77B. From June 7, 1934, when Section 77B of the New Bankruptcy Act became effective, to June 20, 1935, applications were filed under this section by 10 manufacturers in this industry and by 13 wholesalers and retailers.

PAINT TRADE SURPASSING ALL RECORDS BACK TO 1930

FOLLOWING an increase of 25 to 30 per cent in 1934 over the volume of business transacted in 1933, the progress of the paint trade has been even more marked thus far in 1935, despite the curtailment of outdoor activity during April and May because of unfavorable weather conditions. While retail sales are averaging 15 to 20 per cent in excess of the 1934 totals, the increase in some districts has run as high as 50 to 70 per cent, revealing the steady expansion in the demand for household paints which has been in progress since the recession of last Summer.

Greater activity in the automobile industry and general improvement in other manufacturing lines has stimulated demand for industrial paints. Most plants operated at capacity levels during the first quarter and, in some instances, earnings were the highest since 1929, even though sizable increases were recorded for both employment and pay rolls.

Sales of wallpaper have been increasing steadily, with stronger attention accorded the better qualities, and indications favor a progressive betterment in this trade during the balance of the year. The outlook for both paints and wallpaper is particularly bright, in view of the increasing interest in modernization and the preservation of property which has received almost no care for several years.

Stimulated by the necessity for making long-delayed repairs, volume is expected to continue ahead of 1934. Any revival of residence construction will improve the future demand correspondingly, as paint stocks in the hands of distributors in most parts of the

With production at a five-year peak, and distribution ranging 15 to 50 per cent larger than in 1934, the paint trade is recovering at a rapid rate. Demand broadened for both industrial and household products. Wallpaper sales accelerated by increased property repairs. Further reduction in failures.

country are lower than a year ago.

Largest Output in Five Years

During the closing quarter of 1934, manufacturers of paints reduced their schedules gradually, but the recession was less than seasonal, and production remained above that of 1934. Operations were increased sharply in January, and were advanced further during February, March, and April.

In the latter month, total sales, as reported by 586 manufacturers of paint, varnish, and lacquer products, to the Bureau of Census, were \$33,721,326, which exceeded the 1934 peak reached in May at \$33,614,719, and was the highest recorded for any month since June, 1930, when sales were valued at \$36,498,000.

This brought the total sales of manufacturers for the first four months of 1935 up to \$104,471,162, which exceeded the comparative 1934 total of \$89,113,273 by 17.2 per cent, and was 88.0 per cent in excess of the 1933 total of \$55,563,485. The figures for the first four months of 1932 of \$73,866,526 were surpassed by 41.4 per cent, and those of 1931 of \$99,855,000 by 4.6 per cent.

The comparison with the 1930 total, however, which was \$126,317,000, revealed a decline of 17.3 per cent. For twenty-four consecutive months, or since May, 1933, sales each month have been maintained at a higher level than

that for the comparative period of the year preceding. Although quotations on raw materials have advanced around 30 per cent, prices of manufactured paints are not much more than 15 per cent higher than two years ago. The last increase of any consequence made by

manufacturers of paints was in December, 1933.

Prices Still Low

Labor costs, which went up with the inauguration of the code in the Fall of 1933, were covered by the price lists of December, 1933. The increase in the price of raw materials since that time, however, has not been passed on to the consumer, the differential having been absorbed by the manufacturers.

Manufacturers report that their collections from wholesale distributors are better than at any time during the past four years. Credits tightened a year or more ago and doubtful risks have been sold on a cash or C.O.D. basis since that time, effecting easier collections and fewer delinquencies.

Collections with both wholesalers and retailers are averaging from 20 to 25 per cent better than during the opening months of 1934. As the margin of profit is somewhat larger than a year ago, when Government orders were heavy, most concerns are in the best financial position that has been attained since 1929.

Wallpaper Demand Broadening

The wallpaper trade has been benefited by the increased expenditures for improvements by apartment house and home owners, with the Spring season generally reported as the best in several years. Emerging from a rather

prolonged period of inactivity, manufacturers have brought out such an alluring variety of fresh patterns and new colors that all price ranges can be met.

In contrast to a year ago, when the cheapest grades received the major share of attention, this season it is the medium and higher-priced qualities which are classed as the best sellers. Both the medium and better grades are being used by owners of apartments and rental property, while the inexpensive merchandise is being bought chiefly by consumers doing their own work.

Sales of wallpaper for the first five months of the year averaged 15 to 30 per cent in excess of the comparative 1934 figures, although on the Pacific Coast the gain amounted to 40 to 65 per cent, with the higher-priced items receiving the most attention. While production for 1934 ranged from 15 to 25 per cent in excess of the rollage turned out in 1933, some of the manufacturers reduced schedules during March and April, and did not increase employment until the early part of May.

As a result, production for the first five months of 1935 was not more than 10 to 20 per cent larger than that for the corresponding months of 1934. The average level of prices is about the same as a year ago.

Atlanta

Output of paints and wallpaper has shown an increase of 30 per cent, both in dollar and unit sales. The best-selling items are ready-mixed house paints and washable wallpaper.

While raw materials have advanced approximately 30 per cent, prices of manufactured products have increased but 15 per cent. The opinion is advanced that the differential has been absorbed by the manufacturer for the purpose of stimulating sales. The outlook is a very satisfactory one.

Baltimore

Production of paint was somewhat off during the closing months

of last year, but has since risen steadily. The demand has been stimulated as a result of the home renovation program and output now is showing an increase of some 20 per cent in dollar value over last year.

Demand for wallpaper likewise has improved, the present output being up about 15 per cent over the corresponding period of last year.

Boston

Both the paint and wallpaper trades in Boston reported a moderate increase for the first four months of 1935 over the corresponding period of 1934, and the outlook is considered favorable for the next quarter.

Dollar and unit sales have increased 15 to 20 per cent. Employment and pay rolls are generally the same, with some slight gains. Wallpaper prices are slightly lower and paint prices are somewhat higher.

Buffalo

Manufacturers of paints in the Niagara frontier area report that the first four months of 1935 show-

ed a 25 per cent gain in volume of production over the corresponding period of a year ago, with prices remaining substantially the same.

Production in the wallpaper trade shows an increase over a year ago of 20 per cent in units and dollar values, with no change in prices. Orders for the better grades have increased.

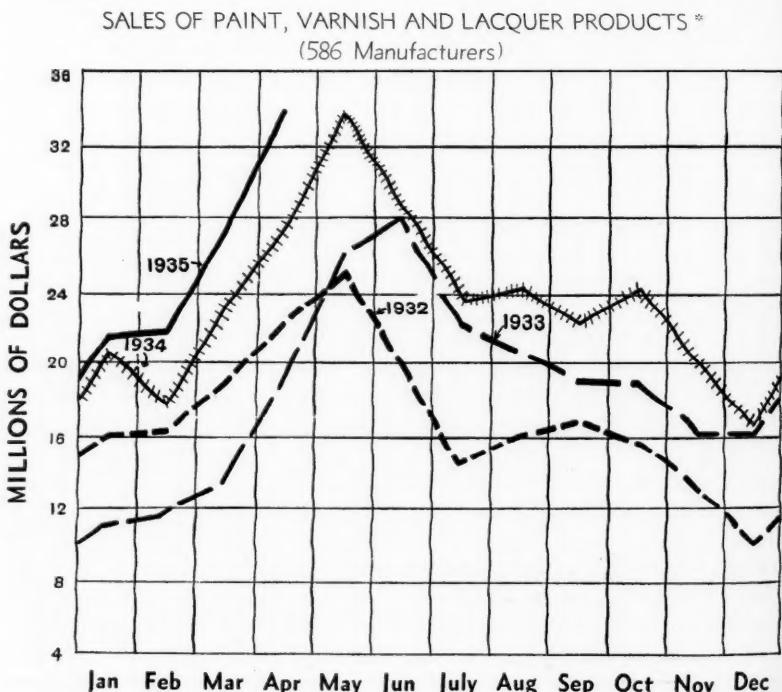
Cleveland

Further marked progress has been made by the paint industry this year. Sales of leading manufacturers have shown gains of 25 to 30 per cent over 1934. Plants were operating near capacity levels during the first quarter.

Retail paint prices are moderately higher than a year ago, reflecting increased costs of raw materials, particularly oils. Wallpaper prices have shown little change.

Dallas

Sales in this trade were running 5 to 10 per cent ahead of last year until April, when a moderate slump set in. Most dealers expect to just about break even during the



(*) Based on statistics compiled by Bureau of Census.

For twenty-four consecutive months, or since May, 1933, sales each month have been maintained at a level higher than that of the comparative period of the year preceding. In April, the total rose to \$33,721,326, which exceeded the 1934 peak reached in May, and was the highest for any month back to June, 1930.

Summer months, hoping to stage a recovery in the Fall.

Detroit

Leading paint manufacturers report current increases ranging from 12 to 25 per cent over a year ago. Automobile paints and lacquers have been most active in the line, the increase running from 25 to 40 per cent. Household and industrial paint manufacturers have experienced heavier demands and are running from 15 to 20 per cent ahead of the same period in 1934.

Wholesalers of wallpaper started the year with a 30 per cent larger volume, but by May 15 this gradually had declined to 10 per cent. There has been no material change in prices. The better merchandise, in the wallpaper field, has been in the strongest demand.

Indianapolis

Production and distribution of paint products has increased about 23 per cent over the same period of 1934, with enamels and industrial finishes in greatest demand. Prices now are slightly higher, but no change is anticipated in the immediate future.

Industrial finishes to furniture factories have nearly doubled in volume over a year ago, and the activities of the Government have increased the output of shelf goods.

Kansas City

The leading retail paint and wallpaper dealers report that business has been satisfactory during the season, some dealers showing an increase in volume of as much as 70 per cent. Unseasonable weather during May curtailed paint sales, but sales of wallpaper were larger. There is a tendency on the part of the buyers to select a better class and more expensive line of merchandise. Prices generally are steady.

Los Angeles

The production of paint among Los Angeles manufacturers exceeds by 15 per cent last year's

total. Price changes being very slight, distribution has held to the same percentage of gain. House paints and varnish are moving better than industrial paints.

Wallpaper has shown a surprising spurt this Spring, and sales are 40 per cent ahead of last year's. The better-priced items show the best demand.

Minneapolis

Manufacturers and wholesale dealers in paint are enjoying a current volume of 20 to 25 per cent above that of a year ago. At that time retail dealers were well stocked, having previously made substantial purchases in anticipation of increased prices. Current purchases are being made without any such incentive, but because of depletion of stocks.

Omaha

Paint sales are about 18 per cent behind the first four months of last year, due principally to the unfavorable weather, but also to the elimination of C.W.A. work, which constituted quite a percentage of the volume last year. Profits have been much better so far this year, due to the fact that C.W.A. work in 1934 was sold on a very close margin.

Richmond

Manufacturers and wholesalers of paints report the volume of business for the first four months of 1935 approximately 15 per cent ahead of that for the corresponding period of last year, both in dollars and tonnage.

Leading manufacturers and dealers here look for the continued maintenance of the volume at a level above that of 1934. Prices continue firm, particularly on lead, oxides, and linseed oil, the basic ingredients.

St. Louis

Local paint concerns reported their dollar volume to be about the same as for the corresponding period last year. The prolonged spell of unfavorable weather hampered sales to some extent.

In some instances, selling prices are reported to be about the same as at this time last year. In others, a nominal advance of about 5 per cent is indicated. Low-priced paint is still understood to be in steady demand, however, but the trend appears to be turning more and more toward medium and better grades of merchandise.

Seattle

Wholesalers of paint and wallpaper in this section report substantial increases in sales volume during the first four months of 1935 over the same period in 1934. With paint dealers, increases ran from 10 to 15 per cent over last year, while wallpaper dealers estimate their gains from 40 to 65 per cent. This increase, in part, is attributed to governmental activities in home modernization.

Failure Downtrend Extended

For the first five months of the current year, the monthly average of failures in the paint trade has been reduced about one-third from the 1934 average, while the involved liabilities have been cut nearly in half. Thus, the downturn which has been in evidence since 1932, when the peak was established at 158 for the total failures of manufacturers, wholesalers, and retailers of paint, has been more accentuated thus far in 1935.

The complete insolvency record of the paint trade since 1927, including the first five months of 1935, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers of Paint

Year	Number	Liabilities
1927	11	\$261,600
1928	13	272,575
1929	21	336,603
1930	20	1,152,556
1931	26	2,592,024
1932	45	1,453,839
1933	20	840,626
1934	16	641,713
1935*	7	91,100

Wholesalers and Retailers of Paint

Year	Number	Liabilities
1927	85	\$932,229
1928	84	791,019
1929	91	5,650,373
1930	116	1,843,693
1931	109	1,546,173
1932	113	1,333,436
1933	98	1,410,649
1934	87	612,699
1935*	26	234,927

(*) January to May, inclusive.

SMALLER GAINS RECORDED FOR DRUG TRADE SINCE JANUARY

After an auspicious start in January when both dollar and unit sales of drugs and pharmaceutical supplies gave promise of extending the gains which had been recorded for 1934, the fluctuations in demand during the months that followed slowed the rate of improvement perceptibly. Retail sales for the first six months of 1935 barely were more than 3 to 5 per cent ahead of the 1934 total, while wholesale volume was higher by not more than 8 to 10 per cent. In most divisions, production schedules were lowered, and in a number of cases did not equal those of the year preceding.

Manufacturers of pharmaceutical products used by the physician made the best showing, with output averaging about 10 per cent above last year's. For the two basic divisions of the industry, prescription materials and nationally-advertised products, no increases of consequence were made, except where wide publicity was concentrated on a particular offering. In many branches, export sales exceeded those in the domestic division. Special vitamin products have met with ready sales, and package medicine manufacturers have opened up new fields through extensive research work.

Retailers and wholesalers are following closely the plans of manufacturers to establish minimum retail prices for trade-marked products under various State fair-trade laws, which will protect both distributors and consumers against injuries and uneconomic practices in the sale of drugs and cosmetics of standard quality. While the outlook is not considered bright, it is hopeful, but the benefits accruing from larger crop returns

In spite of an increase in orders during May and the early part of June, production for the second quarter was somewhat below the reduced level of the first one. Output for the six months 10 to 12 per cent ahead of 1934, with retail sales higher by 3 to 5 per cent. Prices about the same as a year ago.

will not be felt until late Summer.

General Output Reduced

In contrast to the widening of schedules during the first half of 1934, there has been a gradual recession in the production of drugs during the first six months of 1935. During January most of the manufacturers were ahead of their operating rate for the final quarter of 1934 by 15 to 25 per cent, but started to curtail output toward the close of February. Although there was an unexpected pick-up in orders during May, operations for the second quarter failed to rise above the reduced level of the first quarter.

In spite of the irregular down-trend, however, reports from some of the leading centers of production revealed increases of 10 to 12 per cent over the figures for the comparative six months of 1934, with a wider increase indicated during the Summer and Fall months. Although some of the leaders feel confident that the year will close with a margin of gain over 1934, a sharp increase will be required to overcome the poor showing of the first and second quarters.

For, although the first quarter is the most active period of the year for most manufacturers, many of the concerns showed a decline in net earnings ranging from 5 to 16 per cent, as compared with the results for the first quarter of 1934.

The steady shrinkage during the second quarter deepened the loss, so that prospects are not particularly favorable for 1935 earnings equalling those of 1934, which in many instances were the largest since 1930.

The trend of distribution thus far this year has been decidedly uneven. Sales widened uninterruptedly during January and the early part of February, but receded steadily from that period until late in March. Demand during the early part of April was stronger, but again declined until mid-May. Since then, the trend has been more evenly upward. As a result, the increase in sales over the total recorded for the first six months of 1934 did not average more than 3 to 5 per cent, despite gains of 8 to 15 per cent reported for some districts.

Sales Gains Moderate

While the nullification of the N.R.A. thus far has brought no modifications of consequence in hour and wage scales, steps are being taken to maintain the most helpful features of the National Retail Drug Trade Code. The members of the Drug Institute of America, Inc., also have launched an extensive stabilization program designed to correct many of the unfair trade practices in the distribution of drugs and allied lines through various retail channels.

Drug specialties, sundries, toilet goods, pharmaceutical supplies, household remedies, cosmetics, and patent medicines are the leaders among the current best-selling items. Due to the late Spring sales of insecticides have been below the seasonal volume. Liquor sales have contributed less to the distributive totals than a year ago,

due to the opening of so many exclusively liquor retail establishments.

Price Fluctuations Narrow

Price changes in either direction have been slight thus far this year, although some items are higher by 8 to 10 per cent, while others are lower by 3 to 5 per cent. The stability of the trend has been carried through almost the entire list of patent medicines and pharmaceutical supplies, with the upward revisions recorded for a few of the drugs. The present level, on the whole, is about where it was a year ago, with continued firmness in prospect.

Since the invalidation of the N.R.A., there has been a renewal of price-cutting and the featuring of "loss leaders" to stimulate sales. These practices have weakened the price structure, particularly in those cities where the independents have attempted to undersell the chains.

Collections in some instances have shown a less favorable trend since April, but accounts generally are in better condition than a year ago. Both manufacturers and wholesalers report bad debt losses as comparatively small, and credit policies have become somewhat more lenient. Many small retailers, however, are being sold on a cash basis.

Atlanta

The drug trade reports reductions both in value and unit sales, the former about 2 per cent and the latter about 5 per cent. Drug specialties and sundries continue to be the best-selling items, with a good demand for seasonal merchandise.

Prices appear to be stabilized, with no change anticipated. No degree of improvement is looked for, but both wholesalers and retailers express the opinion that business will hold its own.

Baltimore

Production of drugs in this market reached abnormal heights during the first quarter of 1935.

Although output gradually has tapered off since early Spring, the volume continues 8 to 10 per cent above the comparative 1934 period.

Wholesale distribution during the same period increased as much as 100 per cent over last year, but with the opening of Spring fell off considerably and continued on the downward trend until June, when sales again registered an increase. Present volume is about 12 per cent larger than in the preceding year.

Boston

At the present time, the best-selling items seem to be toilet goods, household remedies, and pharmaceutical supplies in that order. It is estimated that the increase in distribution is about 10 per cent over that of last year.

Prices have decreased from 10 to 15 per cent from last year, but no change is likely to occur in the immediate future. The immediate outlook for better business is good.

Cleveland

The drug business in this district fell short of expectations in the first half of 1935. Wholesale volume was 5.7 per cent less in the first four months than in the corresponding period last year, while chain store sales fell off 1.9 per cent.

The poorest showing was in March, when wholesale business showed a decline of 19 per cent and chain stores reported a drop of 8.7 per cent. There was moderate improvement in April.

Dallas

Sales at both wholesale and retail have been running consistently 10 to 15 per cent ahead of last year's. The increase is reflected mainly in the number of units sold, as the price level has changed but little. Wholesale collections show a corresponding improvement and are generally satisfactory.

Detroit

Detroit is one of the important centers of the drug industry and some of the leading manufacturing chemists are located here. During the current year these concerns have experienced an increase of approximately 10 per cent in both dollar and unit volume, as compared with the corresponding period of 1934.

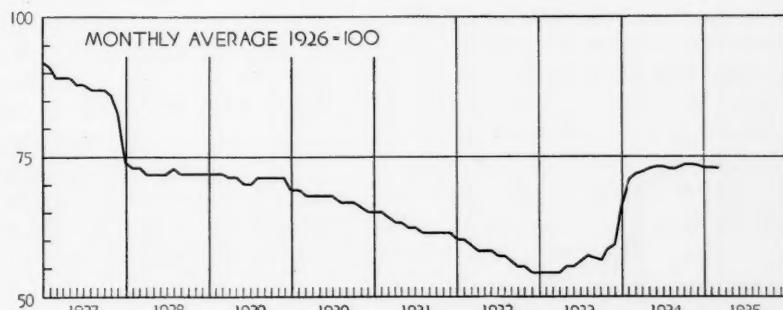
As usual in this industry, unit production has closely followed this trend and has not varied much from sales. Wholesale and retail concerns have had parallel increases in sales. Retail stores, for the most part, have built up their inventories and now offer a more complete selection.

Indianapolis

Wholesale distribution of drugs showed an increase of 4.4 per cent for the first five months of this year, as against the same period of 1934. Retail chain store volume showed a gain of 8 per cent for the same period.

There have been very few changes in prices and it is unlikely that there will be any in the near

INDEX OF WHOLESALE DRUG PRICES (21 Quotations)



After touching the all-time low at 54.6 in April, 1933, the index rose irregularly to stand at 73.5 for November, 1934, which was the highest point reached since February, 1928. Although the trend has been downward thus far this year, the March index registered 75.0, exceeding all comparable positions since 1928.

future. The outlook indicates continued betterment.

Los Angeles

The drug trade held the first quarter's rate of gain of 15 to 20 per cent over last year up to the close of May. During June, however, there was a falling-off in production and sales which was slightly more than seasonal.

Wholesalers report that country orders have declined more noticeably than in the Los Angeles metropolitan area.

Louisville

Wholesale drug sales locally and in the surrounding territory have shown an increase of about 10 per cent over the corresponding period of 1934. Retail business has also been better, with improved demand for pharmaceuticals and cosmetics. Wholesale drug houses also report sales of liquor about 25 per cent better than in the corresponding period of last year.

Milwaukee

Wholesale distribution of drugs and pharmaceutical supplies continues on an upward trend. Sales, both in unit and dollar volume, are reported to have increased from 8 to 10 per cent. Retail sales show improvement also, but in the large cities the independently-owned drug stores have made less progress than in the country communities, due to the cut-rate and chain-store competition prevailing.

Pittsburgh

Business in this line is showing comparatively little improvement. For the first five months of 1935 retail sales averaged about 3 per cent above the same period of 1934, while wholesale orders averaged between 5 and 6 per cent lower than a year ago. There has been comparatively little change in prices.

Richmond

Wholesale business in May was on a level with the same month last year, while April showed a gain of 2 per cent over April, 1934. Cumu-

lative sales for the first five months of this year were 6 per cent heavier than for the same period last year.

The outlook is encouraging as to volume, but in this market it has been necessary for all jobbers to reduce quotations, due to a price-war among chain stores. Drug sundries, lotions, and beach accessories are the best sellers.

Rochester

Retailers report an increase of about 5 to 10 per cent in sales. The wholesale trade reports about a 7 per cent increase in sales, in comparison with a year ago. It is expected that conditions will gradually improve in the trade, although no great progress is expected within the next few months.

St. Louis

Despite the slowness in activity in some products, returns from the trade, as a whole, were generally satisfactory. Wholesalers report their dollar volume for 1935 to have increased approximately 10 per cent, as compared with the same period of 1934, with a nominal step-up in unit sales. Retailers likewise reported favorably, with increased activity shown.

Seattle

Jobbers and wholesalers of drugs in this city reported gradual increases in sales during the months of February, March, and April, only to have the volume again reduced in May so that sales for the year to date are about even with the same period of 1934. Prices have remained fairly steady, and collections are classed as good. Retail drug stores showed little change during the year.

Syracuse

Sales for the first four months of this year equalled those of 1934 for the same period, and collections also were on the level of last year. Prices generally are up slightly, and the opinion is expressed that the outlook for this district is better than it was a year ago.

Low Failure Level Holding

Bankruptcies in the drug trade continued to hold to bottom levels during the first six months of 1935, thus extending the moderate recession which started in 1933 and the abrupt drop that was recorded for 1934, when the number of failures was the fewest in the trade's history and the involved liabilities the smallest since 1929. While concerns have been going into bankruptcy at about the same rate as in 1934, the money loss has been lowered.

The peak for both the number of failures and the defaulted indebtedness was established in 1932 at 1,578 and \$27,646,341, respectively. The all-time low for the number of failures was in 1934, when the total dropped to 710. While the money loss which the latter entailed was only \$8,962,608, or a reduction of 61.3 per cent from that of 1933, it still was in excess of the record low for defaulted indebtedness, which was set down for 1929 at \$8,933,969.

The complete insolvency record of the drug and pharmaceutical supply trade since 1927, including the first half of 1935, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

Year	Number	Liabilities
1927	64	\$3,711,555
1928	85	3,654,570
1929	102	1,290,332
1930	94	3,237,274
1931	102	4,424,601
1932	156	9,105,229
1933	120	8,143,134
1934	56	1,641,832
1935*	40	889,136

Wholesalers and Retailers

Year	Number	Liabilities
1927	714	\$7,607,591
1928	729	7,088,431
1929	701	7,643,637
1930	982	10,781,039
1931	1,151	13,946,611
1932	1,422	18,541,112
1933	1,104	14,989,550
1934	664	7,320,776
1935*	349	3,312,424

(*) January to June, inclusive.

These statistics of commercial failures are exclusive of applications under Section 77B. From June 7, 1934, when Section 77B of the new Bankruptcy Act became effective, to June 20, 1935, applications were filed under this section by 5 manufacturers in this industry and by 6 wholesalers and retailers.

GAINS OF FIRST QUARTER NOT HOLDING IN PAPER INDUSTRY

WHILE there has been an improvement in the general paper trade thus far this year, in many divisions the gains are being narrowed, as compared with those set down for the first quarter, and the trend appears to be toward a slow but continuous retrenchment as the Summer months approach. There are innumerable indications, however, that basically conditions in the industry are strengthening, with the price structure firm, new uses being devised constantly for its products, and better grades coming more into prominence, in keeping with the country's rising purchasing power.

Because of the adverse weather conditions during April and May, which restricted consumer buying in most parts of the country, both output and distribution for the five months of the current year failed to equal the percentage of gain estimated at the beginning of 1935. As the trend again has started upward, much of this slack may be taken in before the close of the third quarter, as wholesalers now are displaying more willingness to make commitments beyond immediate requirements. For some divisions of the trade the Fall outlook is viewed as the brightest in several years.

In spite of the poor showing made by the newsprint division, tonnage output is a head of the comparative 1934 figures, and distribution has exceeded that level by an even wider percentage. Profits, however, have fallen, to some extent, because of increased operating costs and keener sales competition. Exports of paper have expanded, the gains ranging from 9 per cent for wrapping paper to 46 per cent for paper bags, and

Although progress was at a slower rate during April and May than in the opening months of the year, sales of paper have averaged 5 to 10 per cent higher than in 1934. Tonnage output up 5 to 10 per cent, except in newsprint, which declined. Price level practically unchanged. Failure trend upward.

60 per cent for waterproof and greaseproof papers.

Mill Output Increased

In spite of the recession reported for some districts, production of paper thus far this year has been 5 to 10 per cent in excess of that turned out during the corresponding months of 1934, the volume increase representing tonnage, as price fluctuations have been narrow. Industrial expansion undoubtedly has played an important rôle in the widening distribution of paper, as manufacturers are turning more and more to paper for packing purposes, a more insistent call having developed particularly in the furniture, hardware, brewery, confectionery, and apparel trades.

The poorest showing was reported for the South, as many of the manufacturers there failed to equal their output figures of a year ago. In the New England States, on the other hand, mills were so well occupied on current orders that no supplies were left for stock, and employment was larger than in 1934. Increases in operating schedules practically were general in the Wisconsin pulp and paper mills, and both employment and pay rolls have shown successive monthly increases thus far this year.

The course of newsprint production in 1935 has not paralleled the steady upward trend followed dur-

ing the first five months of 1934. After the total output of mills in the United States and Canada dropped to 251,110 tons in February, production was steadily higher in March, April, and May. The total for the latter month, however, of 327,016 tons was smaller by 5,249 tons, or 1.5 per cent, than the output of 332,265 tons in May, 1934. Total production for the first five months of 1935 was 1,437,096 tons, a drop of 0.68 per cent from the comparative 1934 output of 1,446,963 tons.

Trend of Sales Upward

Even though some of the gains of the first quarter were lost during April and May, wholesale distribution of paper for the elapsed five months of the current year ranged from 5 to 12 per cent larger than for the comparative period of 1934. Bonds, ledgers, uncoated book papers, and the cheaper grades of print and wrapping paper headed the list of the best-selling items, with some of the wholesalers of fine paper reporting increases of 25 per cent.

The rising demand for all grades of building paper has lifted the volume 20 to 40 per cent above the average of the last five years. Increased expenditures for advertising have brought more orders from printers, and heavier consumer buying has enlarged sales of wrapping papers. General industrial improvement has benefited manufacturers of paper bags and containers. Demand for paper specialties has broadened, but active competition has curtailed profits.

In the early months of the year some stocking of paper occurred, chiefly because of fear of higher prices, which failed to develop, so

that inventories are estimated at 5 to 8 per cent larger than in 1934. Collections are more satisfactory, the improvement over a year ago averaging 8 to 12 per cent, although many of the smaller printing establishments still are being sold mostly on a cash basis.

Prices Generally Steady

On practically all grades of paper, prices have held comparatively firm, continuing at about the level reached during the adjustments made in the Summer of 1934, despite the advances recorded for a few items and the losses for others. Sulphite paper has become somewhat firmer, tissues are steady, and there is more strength noted in the quotations on coarse papers. On the other hand, kraft has turned easier, prices on solid ledger books have weakened, while paper stock, old paper, and mixed paper continue to drag at bottom levels.

The advance of \$2.50 a ton in the price of newsprint for the first half of 1935, with another \$2.50 to be added for the second half of the year, was rescinded in January, which left the quotation at \$40 a ton, at which position it had been pegged since April, 1933, when it was reduced from \$45 a ton. While there appears to be no likelihood of changes in the near future, should revisions be made these undoubtedly will be in an upward direction, in view of the decision of mills to maintain code hour and wage schedules.

Atlanta

Manufacturers of paper report output approximately 5 per cent below that for the same period of 1934, with prices slightly lower on some grades but, on the whole, steady. Wholesale dealers have had a decline in volume of 10 to 15 per cent, as compared with 1934. Prices continue fairly steady, but purchases are being curtailed to immediate needs only.

Baltimore

In this trade, production locally is confined to newsboard. The out-

put is off some 10 per cent, as compared with unit volume of June, 1934, when production reached the year's peak.

The dollar volume during the same period declined more sharply because of the steady slide in prices from June to the end of the year. However, a slight pick-up thus far this year is shown, and production is now more nearly on a normal basis.

Wholesale distribution in all lines of paper shows tonnage up about 10 per cent over last year, with dollar sales slightly larger. Medium and cheaper grades of bond paper, coarse wrapping paper and paper bags lead in the current demand.

Boston

The paper industry in Boston reports a moderate increase for the first five months of 1935 over the corresponding period of 1934. The outlook is considered uncertain for the next few months.

Dollar sales have increased 8 to 10 per cent and unit sales are 6 to 8 per cent greater. Employment and pay rolls have increased slightly. Prices remain firm, and there are no indications of changes in the near future. The best-selling items are wrapping paper, envelopes, bond paper, and book paper.

Cleveland

Further improvement in the paper trade has been made so far this year. Although sales have shown a moderate decline since April, operations have been at

higher levels than a year ago, and gains of 10 to 15 per cent are reported.

In the early months of the year some stocking of paper occurred, largely because of fear of higher prices. The price level has remained fairly firm, however, although there have been advances on some items.

Dallas

The distribution of paper at wholesale is holding up well, as compared with last year, although profits have fallen, to some extent, due to increased operating costs. For the first five months of 1935, the volume was about 5 per cent greater than for the corresponding period of 1934. The increase was reflected in the unit volume, since there has been practically no change in the price level.

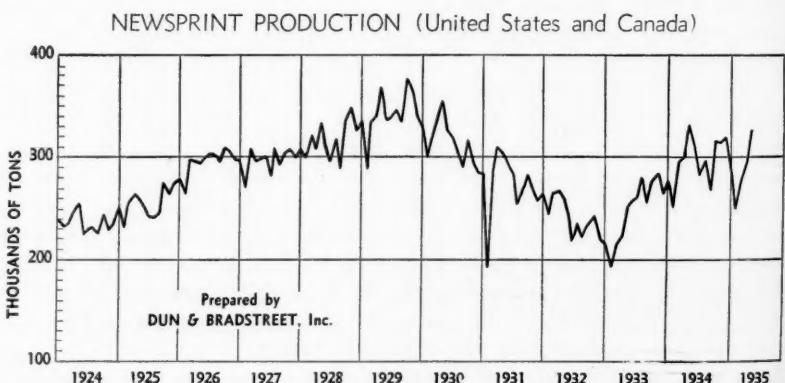
Indianapolis

Wholesale volume of fine papers and printers' papers shows a 5 per cent increase for 1935 over the same period of 1934. Bonds, ledgers, and uncoated book papers are the best-selling items.

Prices are currently firm. Sales held up fairly well during the first four months, but took a decided trend downward since May 1, and not much improvement is expected during the Summer.

Kansas City

The leading distributors here report that sales for the first five months of this year showed an increase of approximately 10 per



The course of newsprint production in 1935 has not paralleled the steady upward trend followed during the first five months of 1934. Total production for the first five months of 1935 was 1,437,096 tons, a drop of 0.68 per cent from the comparative 1934 output of 1,446,963 tons, due largely to the loss in February.

cent over the same period of 1934. The dealers have obtained their best volume in the cheaper grades of prints, bond, and wrapping paper.

There have been no local price changes during the past year, but some of the dealers report that prices probably will be increased in the near future. Collections generally are reported as satisfactory.

Memphis

The paper trade has been affected by uncertainty as has almost everything else, but volume is somewhat better than it was last season. Margin of profit is not very satisfactory, attributed to keener competition for business.

The trade here did not have a code, so was not directly affected by the recent upset, though feeling it indirectly. Buying has been only for immediate needs. Staple items have moved best, and prices have remained steady.

Milwaukee

Distribution of paper in Milwaukee for the first five months of 1935 was slightly better than for the same period of 1934. In some instances, however, sales have been running less than a year ago.

Demand for newsprint has been more active, due to an increase in advertising. Paper and pulp mills in Wisconsin report production above a year ago. Employment and pay rolls also showed a steady increase for the first four months of 1935, compared with the same 1934 period. Prices have held fairly steady.

Omaha

As a whole, paper sales have been on about an even basis with this period a year ago, both as to dollars and unit volume. There are no items showing any special activity. Prices have been stationary for some time, with no evidence of an immediate change. The outlook is favorable for improved business in the Fall. In contrast with last Summer's severe drought, which cut down volume in all fields, rainfall this year has

been plentiful, assuring good crops, which will result in active sales in the paper industry.

Rochester

Wholesalers of paper in this city report a general increase of from 10 to 15 per cent for the first five months of this year, in comparison with a similar period of 1934. Wholesalers of fine paper report, in some instances, an increase of 25 per cent, while wholesalers of other grades of paper report smaller increases. In the fine paper line, the middle grades continue to be mostly in demand, with a trend toward the better grades continuing. Prices are expected to hold firm.

St. Louis

Recent reports from local wholesale paper concerns are generally favorable. Industrial stimulation undoubtedly has played an important rôle in creating a demand for paper.

Some wholesalers report a gain in their dollar volume for 1935 from 11 to 20 per cent, as compared with the corresponding time in 1934. Others indicated their sales to have held about even for the same period.

Syracuse

Most manufacturers of various types of paper report that a steady increase in sales was made from September, 1934, to May 1, 1935, representing about a 10 per cent gain. Since May 1, however, a sharp decline in new business was noted.

Inventories of finished products are at the lowest point in several years and from the character of orders received and prompt service demanded, it is the general opinion that paper jobbers and converters also are carrying only minimum requirements.

Toledo

Sales of paper in this district during the first five months of the current year were about 20 per cent ahead of the comparative 1934 figures. The best-selling items

were bond and book papers. Prices are considered stable, and with no fluctuations in prospect. Outlook has improved, and a good Fall business now is anticipated.

Failures Starting to Rise

After dropping in 1934 to the smallest total since 1931, the trend of failures in the paper industry has been strongly upward thus far in the current year. For the entire twelve months of 1934 only 8 bankruptcies were recorded for manufacturers of paper, with the involved liabilities reduced to \$892,529, whereas for the first five months of 1935 the number rose to 9 and the money loss to \$1,012,529.

For wholesalers and retailers of paper the increase in failures was even more rapid during the first five months of 1935, as the number rose to 25, which compared with only 16 for the twelve months of 1934. Most of these bankrupt concerns were small, however, as despite the 5.6 per cent increase in the total that failed, the gain in the defaulted indebtedness was held to 3.7 per cent, having risen to \$456,516 from \$332,278 in 1934.

The peak year for failures was in 1932, when the number for the entire trade reached 44 and the involved liabilities \$3,647,797. These totals were reduced by 40.9 per cent and 32.4 per cent, respectively, in 1933, and in 1934 the money loss was cut further by 50.3 per cent.

The complete insolvency record of the paper industry since 1927, including the first five months of 1935, as compiled by Dun & Bradstreet, Inc., shows:

Paper Manufacturers

Year	Number	Liabilities
1927	5	\$2,017,000
1928	5	816,900
1929	10	1,929,200
1930	3	821,226
1931	1	800,000
1932	9	2,613,450
1933	10	1,944,189
1934	8	892,529
1935*	9	1,012,529

Paper Wholesalers and Retailers

Year	Number	Liabilities
1927	19	\$1,128,800
1928	20	495,707
1929	20	67,592
1930	14	210,300
1931	6	192,100
1932	35	1,024,347
1933	16	520,760
1934	16	332,278
1935*	25	456,516

(*) January to May, inclusive.

77B CASES FOR JULY AT YEAR'S LOW

WHEN a new law becomes effective, uncertainty may arise as to its result. Contrary to the belief that an overwhelming number of applications would be filed by concerns seeking relief under Section 77B of the New Bankruptcy Act, an entirely opposite trend was shown.

For no month since the inception of this Act has the number of applications been higher than 146 (the total reached in April of this year); and for most months the totals have been substantially below that figure.

This table shows the monthly totals of concerns making application since Section 77B became effective, in comparison with the commercial failure total for the same months:

	Number of Applications	Commercial Failures
June	97	1,033
July	73	912
August	98	929
September	69	790
October	65	1,091
November	96	923
December	94	963
 1935		
January	106	1,184
February	76	1,005
March	82	976
April	146	1,115
May	88	1,027
June	81	961
July	70	931
Total	1,241	13,840

Applications for the month of July numbered 70 and this (with the exception of the months of September and October, 1934) was the lowest number reported for any month since the New Bankruptcy Act became effective. Another interesting feature of these cases is that in no month do the applications exceed 13 per cent of the total of failures reported for the period.

Concerns applying for relief under this Act are not commercial failures in the accepted sense, and the statistics of the applications

constitute a record which is distinct from that of commercial failures.

This table shows the number in each of the four principal trade groups:

Trade Group :	Number of Applications	Percentage of Total
Manufacturing	504	40.6
Wholesale	106	8.6
Retail	291	23.4
Service	340	27.4
Total	1,241	100.0

Manufacturing concerns led the field in number of applications filed. The total in this class since June 7, 1934, was 504, or 40.6 per cent of the total number. In the service group, which was the next highest, the total was 340 and the ratio 27.4. Applications for relief among retailers numbered 291, and wholesalers 106.

In the retail classification, hotels and restaurants were well above any other type of business, numbering 62. Clothing stores had a total of 21. In seven of the twenty-four businesses listed no applications were filed.

Among wholesalers, groceries, meat and fish numbered 21. The nearest approach to this figure was 10 in the iron and steel industry. All other lines were considerably below this figure.

In the fourth classification, the number was higher this year among hauling and trucking concerns, and real estate and laundries. Fewer applications were filed by investment houses and cleaning and dyeing establishments.

This table shows the weekly record of 77B applications in comparison with the corresponding totals of 1934:

Week	1935	1934	Per Cent
Aug. 8.....	15	15	.....
Aug. 1.....	26	21	+23.8
July 25.....	16	16	.....
July 18.....	18	17	+ 5.9
July 11.....	18	16	+12.5
July 4.....	16	24	-33.3
June 27.....	16	27	-40.7
June 20.....	23	24	- 4.2
June 13.....	21	46	-54.3

77B Applications by Divisions of Industry

	Jan.-July 1935 No.	June-Dec. 1934 No.
<i>Manufacturers</i>		
Foods	40	56
Milling and Bakers	9	4
Chemicals and Drugs	9	6
Clothing and Furnishings	11	10
Textiles (Other)	22	17
Hats, Gloves and Furs	3	2
Leather and Shoes	13	7
Paints .....	..	..
Rubber Goods	1	2
Tobacco and Beverages	2	1
Furniture	15	6
Lumber and Building Lines	13	11
Machinery	20	17
Transportation Equipment	8	9
Iron and Steel	22	26
Non-Ferrous Metals	7	4
Petroleum and Coal	13	18
Printing and Publishing	9	12
Paper and Paper Products	9	10
Stone, Clay and Glass	21	17
All Other	11	12
Total Manufacturers	258	247
<i>Retail Dealers</i>		
General Stores	5	7
Groceries, Meat and Fish	13	13
Clothing and Furnishings	21	17
Dry Goods & Department Stores	15	9
Hats, Gloves and Furs	1	1
Leather and Shoes	5	..
Furniture	9	3
Lumber and Building Materials	7	3
Chemicals and Drugs	7	..
Paints .....	..	..
Tobacco, Billiards and Beverages .....	..	1
Paper and Paper Products .....	..	..
Books and Periodicals	1	..
Rubber Goods .....	..	1
Jewelry .....	..	..
Machinery	2	..
Non-Ferrous Metals .....	..	..
Hardware and Tools	3	3
Iron and Steel	2	..
Hotels and Restaurants	62	50
Petroleum and Coal	4	6
Stone, Clay and Glass .....	..	..
Transportation Equipment	5	4
All Other	2	8
Total Retail Dealers	164	126
<i>Wholesale Dealers</i>		
Books and Periodicals .....	..	..
Chemicals and Drugs	1	1
Furniture .....	..	2
Lumber and Building Materials	3	1
Groceries, Meat and Fish	21	18
Iron and Steel	10	5
Leather and Shoes	1	1
Machinery	2	2
Non-Ferrous Metals	1	2
Paints	1	..
Paper and Paper Products	1	..
Rubber Goods	3	6
Stone, Clay and Glass	3	2
Clothing and Furnishings .....	..	1
Dry Goods .....	..	4
Transportation Equipment	2	4
All Other	6	1
Total Wholesale Dealers	59	47
<i>Agents and Commercial Service</i>		
Advertising .....	..	..
Brokers (Investment)	3	..
Cleaners	3	6
Garages	3	4
Hauling	7	2
Insurance and Real Estate	77	49
Laundries	11	6
Taxicab Companies	2	1
Undertakers	1	..
All Other	61	97
Total Agents and Com'l Serv.	168	172
Total United States	649	592

JULY FAILURES STRIKE LOW POINT FOR YEAR

BUSINESS failures in July were fewer in number than for any other month this year, totaling 931, against 961 in June and 912 in July, 1934. The total indebtedness involved in the July, 1935, business defaults was \$20,446,761. This amount compared with \$20,463,097 for June and with \$19,325,517 for July, 1934.

There was a very slight reduction in July from June. The liabilities for June were increased very materially by a single large receivership, which did not develop until that month, although the actual default had occurred over a year ago. For more than a year liabilities for a single month had not been so high as they were in June.

Insolvency Index Still Low

The July Insolvency Index continued below the record for that month back to 1920. It was down to 56.4, which compared with 56.9 for July, 1934. The July index was below that for any other month back to September, 1934. Since the Insolvency Index is based on the

ratio of commercial failures to each 10,000 business concerns, it measures quite accurately the business death rate.

A comparison by quarters for the past two years makes an interesting study. For the first three months of 1935 the Insolvency Index was considerably lower than that for the same period of 1934. The reduction this year was due almost wholly to the substantially lower figures for January and March. For February, 1935, the Insolvency Index was only fractionally lower.

For the second quarter of this

year there was a fractional increase in the Insolvency Index over the 1934 figures. The April and May index this year was higher than for those two months last year, while the June figure this year showed a reduction.

For July there was a decline, as compared with June, which was about normal and the same may be said of the increase in the comparison between July and September last. The September Insolvency Index generally is at the low point of the year. That was the case in 1934.

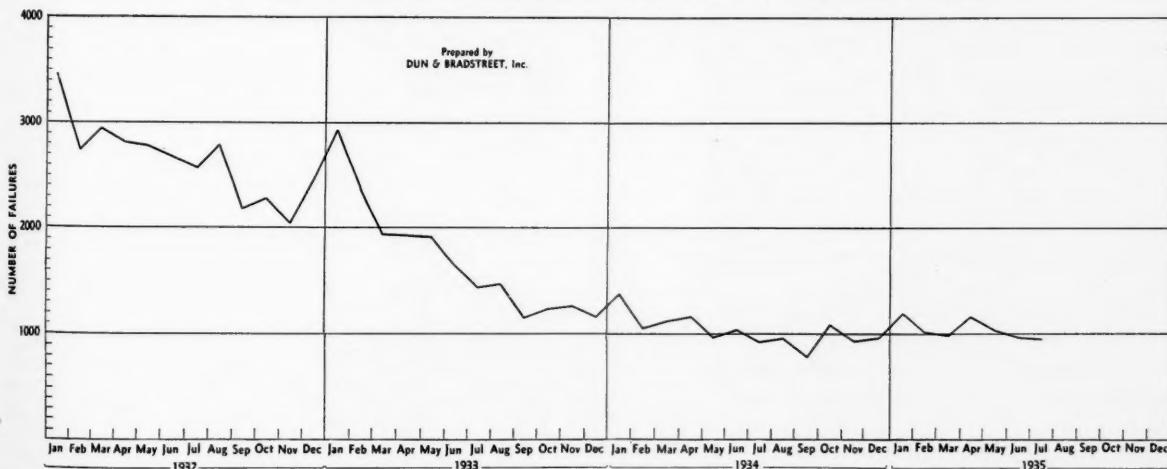
Following September, the In-

DUN'S INSOLVENCY INDEX

Ratio of Commercial Failures to Each 10,000 Business Concerns

	Monthly						5-Year Average	Monthly			
	1935	1934	1933	1932	1931	1930		1922	1921	1920	
January	71.3	82.5	179.4	201.8	188.4	150.2	139.5	160.0	178.7	126.2	27.8
February	71.5	71.9	159.0	165.9	169.0	146.7	128.2	147.0	168.7	123.4	26.1
March	58.7	64.2	111.4	159.7	146.0	128.4	110.4	126.6	144.8	98.1	27.6
April	67.2	65.4	115.3	158.0	134.1	125.0	107.4	123.0	137.3	93.8	26.6
May	62.1	59.2	113.9	162.0	131.7	119.9	104.5	119.8	124.4	88.5	27.5
June	60.3	63.1	99.9	155.2	112.4	114.4	100.8	115.6	105.4	82.7	29.5
July	56.4	56.9	90.4	156.3	112.1	112.4	95.7	109.7	110.4	93.6	29.9
August	54.3	86.7	155.5	111.3	105.7	90.9	104.2	99.8	93.4	29.4	
September	53.6	71.0	132.1	114.0	112.9	87.2	100.0	98.5	94.5	30.3	
October	66.2	76.6	137.8	134.7	117.0	90.2	103.8	107.3	109.8	105.8	
November	65.8	82.1	180.9	141.2	127.0	107.1	122.8	112.3	132.8	109.7	
December	60.5	74.0	145.3	158.8	140.7	112.0	128.3	114.0	159.6	116.2	
Seven months.	63.9	66.2	124.2	165.5	142.0	128.1	112.4	.....	137.7	100.9	27.9
Year . . . . .	.....	61.7	103.6	153.3	133.4	120.7	105.6	.....	119.4	102.0	48.8

MONTHLY TREND OF COMMERCIAL FAILURES IN THE UNITED STATES



Striking the year's low at 931, commercial failures for July were the fewest tabulated for that month since 1920, excepting July, 1934. For the latter period defaults numbered 912, which compared with a total of 1,421 for July, 1933. The peak for July failures was established in 1932, when the total rose to 2,596.

solvency Index was higher again, as is customary. Throughout 1934 the trend for each quarter of the year was quite normal. For the first three months, failures were at the high point of the year, followed by declines in the second and third quarters, and a subsequent advance in the fourth quarter.

Failures in 1934 were much less numerous than they were in the preceding years back to 1920 and so far this year they have been below those of 1934.

The Geographical Divisions

The increase in the number of failures in the United States during July, as compared with that month last year, was scattered over different sections of the country. Failures were more numerous in the New England States. Liabilities reported for the defaults in that section, however, were considerably reduced this year. Compared with June, this year, failures in New England in July were fewer in number.

In the Cleveland Federal Reserve District, mainly the State of Ohio and western Pennsylvania, there were more failures in July this year than in that month a year ago. For the Chicago and Minneapolis districts an increase also was shown over last year.

In the St. Louis Federal Reserve District, which covers practically all of the Central South, failures in July this year were more numerous than in that month last year. The same was true as to the Atlanta district, which, in addition to Georgia, covers the Gulf States as far as Texas.

For the New York Federal Reserve District there was a small reduction in the number of failures last month, compared with July last year. The same was true as to the Philadelphia district. These two sections cover all of New York State, New Jersey, and two-thirds of Pennsylvania—the eastern section.

For the Richmond Federal Reserve District fewer failures were reported this year than last; also

Failures by Federal Reserve Districts—July

Districts	Number			Liabilities	
	1935	1934	1933	1935	1934
Boston (1).....	91	66	138	\$1,115,861	\$1,367,851
New York (2).....	333	336	333	7,971,889	7,747,778
Philadelphia (3).....	44	48	63	978,823	1,336,157
Cleveland (4).....	70	56	110	1,735,916	1,719,310
Richmond (5).....	30	61	102	601,923	1,718,339
Atlanta (6).....	41	31	58	761,138	342,015
Chicago (7).....	88	75	180	2,816,810	1,638,609
St. Louis (8).....	29	18	60	303,932	148,738
Minneapolis (9).....	21	18	62	133,478	237,928
Kansas City (10).....	35	37	75	527,538	480,641
Dallas (11).....	19	22	42	196,834	361,166
San Francisco (12).....	130	144	198	3,302,619	2,226,984
Total United States.....	931	912	1,421	\$20,446,761	\$19,325,517

July, 1935

Districts	Manufacturing		Trading		Other Com'l	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
First	22	\$186,709	62	\$570,147	7	\$359,005
Second	114	2,557,759	189	3,150,508	30	2,233,622
Third	8	454,233	34	513,590	2	11,000
Fourth	11	748,028	56	891,500	3	96,388
Fifth	6	242,403	20	269,355	4	90,165
Sixth	4	169,001	34	529,570	3	62,567
Seventh	30	1,067,410	52	1,391,877	6	357,523
Eighth	3	104,412	26	199,520	..	..
Ninth	2	11,938	17	97,562	2	23,978
Tenth	1	226,256	33	285,282	1	16,000
Eleventh	2	65,472	17	131,362	..	..
Twelfth	35	974,395	79	584,131	16	1,744,093
Total U. S.	238	\$6,838,016	619	\$8,614,404	74	\$4,994,341
July, 1934.....	235	\$6,785,970	579	\$8,123,489	98	\$4,416,058

for the Dallas district, which completes the Southwest. For the Kansas City and San Francisco districts the number of business defaults was lower this year than last. This was especially true of the Pacific Coast States.

Liabilities were less this year than they were last in the Boston, Philadelphia, Richmond, Minne-

apolis and Dallas districts. In the other seven geographical divisions, an increase was shown; in some sections, the amount was large.

Total liabilities reported for July this year were slightly higher than the amount reported for that month in 1934, but lower than for June, 1935. A rather marked vari-

Failures in Specified Cities in the United States—July

City	Fed. Res.	Dist.	Pop.	Failures		
				No.	Liabilities	No.
Baltimore	5	804,874	11	\$385,615	15	\$214,654
Boston	1	781,188	23	623,730	13	749,738
Buffalo	2	573,076	5	18,397	4	202,335
Chicago	7	3,376,438	30	671,500	20	292,000
Cincinnati	4	451,160	1	22,504	7	168,194
Cleveland	4	900,429	6	358,725	9	57,047
Detroit	7	1,568,662	9	322,501	5	139,801
Indianapolis	7	384,161	3	75,514	1	20,350
Jersey City	2	316,716	3	260,730	3	233,156
Kansas City, Mo.	10	399,746	..	..	3	18,982
Los Angeles.....	12	1,258,048	28	632,302	36	643,575
Louisville	8	307,745	3	11,000	..	..
Milwaukee	7	578,248	7	63,060	10	194,237
Minneapolis	9	464,356	4	20,400	6	114,018
Newark	2	442,337	18	234,050	18	189,774
New Orleans	6	458,762	1	154,877	..	..
New York	2	6,930,446	206	5,769,125	221	4,292,859
Philadelphia	3	1,950,961	17	330,756	24	670,323
Pittsburgh	4	669,817	3	206,188	2	10,400
Portland, Ore.	12	301,815	9	71,261	9	63,744
Rochester	2	328,132	4	20,008	3	8,301
St. Louis	8	821,960	6	145,403	3	18,000
San Francisco.....	12	634,394	11	255,031	11	74,313
Seattle	12	365,583	9	962,958	13	440,722
Washington, D. C.	5	486,869	3	34,476	6	290,064
Total .....	..	..	420	\$11,650,111	442	\$9,106,557
All Other.....	..	..	511	\$8,796,650	470	10,218,930
Total U. S. ....	..	..	931	\$20,446,761	912	\$19,325,517

ation, however, appeared in the report for these different months.

By Classes of Liabilities

Failures where the amounts involved were \$100,000 or more in each instance constituted 5.2 per cent of all failures in July this year. The ratio of these larger defaults in July, 1934, was about the same, or 5.3 per cent. On the other hand, the ratio for this division in June this year was only 1.9 per cent. In that month one receivership, which was instituted then, although the default had occurred many months previously, was for \$7,000,000. This single failure swelled the liabilities for June very materially.

Failures for the month just closed with liabilities of under \$5,000 in each instance constituted 41.8 per cent of all failures; a year ago the ratio was only 32.8 per cent, while for June this year it was 46.2 per cent. The largest percentage for July this year covered

Failures by Branches of Business—July, 1935

	Number			Liabilities	
	July, 1935	July, 1934	July, 1933	July, 1935	July, 1934
MANUFACTURERS					
Iron, Steel and Foundries.....	10	8	15	\$590,464	\$190,776
Machinery and Tools.....	17	17	30	365,833	575,157
Woolens, Carpets, etc.....	1	..	3	4,000	.....
Cottons and Lace.....	..	..	..	.....	.....
Lumber and Building Lines.....	33	37	30	783,383	975,368
Clothing and Furnishings.....	28	23	28	431,417	361,362
Hats, Gloves and Furs.....	22	17	11	329,513	355,173
Chemicals and Drugs.....	1	3	6	1,500	93,700
Paints.....	3	1	1	68,132	215,156
Printing and Engraving.....	7	9	20	145,394	778,186
Milling and Bakers.....	19	22	27	345,157	136,732
Leather and Shoes.....	9	11	11	339,066	137,668
Tobacco	1	1	6	17,017	9,700
Stone, Clay and Glass.....	11	5	11	579,369	192,495
All Other.....	75	81	126	2,837,769	2,764,497
Total Manufacturing.....	237	235	325	\$6,838,016	\$6,785,970
TRADERS					
General Stores.....	26	20	36	\$200,020	\$123,540
Groceries, Meat and Fish.....	214	178	277	2,172,915	1,729,372
Hotels and Restaurants.....	62	68	73	1,521,304	1,448,842
Tobacco, etc.....	9	5	14	39,480	42,580
Clothing and Furnishings.....	69	53	85	908,591	539,587
Dry Goods and Carpets.....	28	19	58	242,223	137,534
Shoes and Luggage.....	13	12	36	139,676	154,988
Furniture and Crockery.....	19	17	29	387,246	448,230
Hardware, Stoves and Tools.....	19	24	46	423,367	177,519
Chemicals and Drugs.....	46	56	94	357,385	802,937
Paints	13	12	6	138,807	67,050
Jewelry and Clocks.....	9	8	17	55,675	75,339
Books and Papers.....	9	8	19	42,896	134,674
Hats, Gloves and Furs.....	3	6	17	15,559	95,618
All Other.....	81	93	169	1,969,260	2,145,619
Total Trading.....	620	579	976	\$8,614,404	\$8,123,489
Agents and Brokers.....	74	98	120	4,994,341	4,416,058
Total United States.....	931	912	1,421	\$20,446,761	\$19,325,517

Analysis of Failures by Liability Groups for July

	Number		Liabilities			
	1935	Ratio	1934	Ratio	1935	1934
Under \$5,000.....	389	41.8	299	32.8	\$1,015,358	\$2,610
\$5,000 to \$25,000.....	395	42.4	453	49.6	4,317,432	10,930
\$25,000 to \$100,000.....	99	10.6	112	12.3	4,639,068	46,859
Over \$100,000.....	48	5.2	48	5.3	10,474,903	218,227
Total	931	100.0	912	100.0	\$20,446,761	\$21,962
					\$19,325,517	\$21,190

the class where the liabilities were between \$5,000 and \$25,000. The ratio for this division was 42.4 per cent, a year ago it was 49.6 per cent and for June, 1935, it was 41.9 per cent.

The Half-Year's Record

Attention already has been called to the low level of business failures in the United States in the first and second quarters of the current year, as compared with most previous records. There was a decline in both periods. Furthermore, the number of defaults and the amount of liabilities involved in the second three months of this year were below those for the first three months. The decline in the second quarter of this year, however, was not so large as is usually shown.

For the second quarter of 1935,

the number of failures was higher than that for the same three months of the preceding year, but the liabilities were very much reduced. The increase in the number of failures in the second quarter of this year, over those of 1934

Large and Small Failures—July

MANUFACTURING

	Total		\$100,000 & More		Under \$100,000	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
1935....	237	\$6,838,016	21	\$3,517,135	216	\$3,320,881
1934....	235	6,785,970	18	3,442,819	217	3,343,151
1933....	325	5,281,762	23	4,133,222	302	4,148,540
1932....	622	37,228,284	62	26,743,401	560	10,484,883
1931....	520	20,586,117	43	13,107,446	482	7,478,671
1930....	425	13,368,613	27	8,040,823	398	5,328,290
1929....	461	12,767,455	25	6,391,530	436	6,375,925
1928....	450	12,932,132	30	7,652,859	420	5,279,273

TRADING

1935....	620	\$8,614,404	12	\$2,989,247	608	\$5,625,157	\$9,252
1934....	579	8,123,489	12	2,242,307	567	5,881,182	10,382
1933....	976	13,544,487	16	2,641,783	960	10,902,704	11,357
1932....	1,790	34,918,899	64	13,791,700	1,726	21,127,199	12,241
1931....	1,322	28,091,055	37	15,232,407	1,284	12,858,648	10,015
1930....	1,481	21,571,609	23	6,258,805	1,458	15,312,804	10,503
1929....	1,190	14,605,398	16	3,113,443	1,174	11,491,955	9,789
1928....	1,161	12,899,466	11	2,128,800	1,150	10,770,666	9,366

ALL COMMERCIAL

1935....	931	\$20,446,761	48	\$10,474,903	883	\$9,971,858	\$11,293
1934....	912	19,325,517	48	8,828,967	864	10,496,550	12,149
1933....	1,421	27,481,103	60	10,606,039	1,361	16,875,064	12,399
1932....	2,596	87,189,639	160	54,235,101	2,436	32,954,538	13,528
1931....	1,983	60,997,853	100	37,125,250	1,883	23,872,603	12,678
1930....	2,028	39,826,417	58	16,465,398	1,970	23,361,019	11,860
1929....	1,752	32,425,519	51	13,126,616	1,701	19,298,903	11,346
1928....	1,723	29,586,633	49	11,989,470	1,674	17,597,163	10,512

was small. Considering the steady decline in business defaults for the past year or two, the slight upturn of the past three months was out of the usual order.

The increase in the number of failures in the second quarter of this year over 1934 was wholly in the trading division. This is indicated by the figures shown in this table:

Number of Failures—Second Quarter

	1935	Ratio	1934	Ratio
Manufacturing ...	731	23.5	806	26.4
Trading ...	2,127	68.6	1,959	63.9
Other Commercial.	245	7.9	297	9.7
Total	3,103	100.0	3,062	100.0

Liabilities

	1935	1934
Manufacturing ...	\$16,632,552	\$29,554,754
Trading ...	23,931,190	30,024,380
Other Commercial.	13,632,905	12,636,969
Total	\$54,196,647	\$72,216,103

Number of Failures—First Quarter

	1935	Ratio	1934	Ratio
Manufacturing ...	721	22.8	844	24.0
Trading ...	2,140	67.6	2,362	67.2
Other Commercial.	304	9.6	309	8.8
Total	3,165	100.0	3,515	100.0

Liabilities

	1935	1934
Manufacturing ...	\$18,544,101	\$27,447,209
Trading ...	22,436,955	37,389,458
Other Commercial.	15,103,138	14,740,990
Total	\$56,084,194	\$79,577,657

There were 2,127 trading defaults in the second quarter of this year, against 2,140 in the first quarter and 1,959 for the three months April to June, inclusive, in 1934. The increase this year over a year ago was 8.6 per cent. At the same time, liabilities for trading failures in the second quarter of 1935 were very much less than they were for that period a year ago.

	July, 1935		
	Number	Ratio	Liabilities
Manufacturers	237	25.5	\$6,838,016
Traders:			
Retail	547	58.8	7,096,554
Wholesale	73	7.8	1,517,850
Agents & Com'l Ser.	74	7.9	4,994,341
Total U. S.....	931	100.0	\$20,446,761

	July, 1934		
	Number	Ratio	Liabilities
Manufacturers	235	25.8	\$6,785,970
Traders:			
Retail	506	55.5	6,627,387
Wholesale	73	8.0	1,496,102
Agents & Com'l Ser.	98	10.7	4,416,058
Total U. S.....	912	100.0	\$19,325,517

Trading failures in the second quarter of this year were relatively as heavy as in the first three months, although as to the latter there was a reduction in the number from that for the same period in 1934. For the six months this year the number of trading de-

Failures by Divisions of Industry—July, 1935

MANUFACTURERS	Number		Liabilities	
	July, 1935	July, 1934	July, 1935	July, 1934
Foods	17	14	\$985,860	\$433,546
Milling and Bakers	19	22	345,157	136,732
Chemicals and Drugs	1	3	1,500	93,700
Clothing and Furnishings	29	23	435,417	361,362
Textiles (Other)	9	13	288,864	823,101
Hats, Gloves and Furs	22	17	329,513	355,173
Leather and Shoes	9	11	339,066	137,668
Paints	3	1	68,132	215,156
Rubber Goods	1	..	8,000	....
Tobacco and Beverages	1	1	17,017	9,700
Furniture	6	5	105,951	114,410
Lumber and Building Lines	27	32	677,432	860,958
Machinery	9	5	129,151	118,288
Transportation Equipment	7	10	196,684	253,116
Iron and Steel	20	19	718,331	465,722
Non-Ferrous Metals	7	6	48,398	128,901
Petroleum and Coal	3	2	525,000	207,882
Printing and Publishing	7	9	145,394	778,186
Paper and Paper Products	1	2	226,256	79,049
Stone, Clay and Glass	11	5	579,369	192,495
All Other	28	35	667,524	1,020,825
Total Manufacturers	237	235	\$6,838,016	\$6,785,970
RETAIL DEALERS				
General Stores	26	20	\$200,020	\$123,540
Groceries, Meat and Fish	185	139	1,446,436	1,105,350
Clothing and Furnishings	66	53	846,556	539,587
Dry Goods and Department Stores	19	17	164,383	118,539
Hats, Gloves and Furs	3	6	15,559	95,618
Leather and Shoes	12	11	124,676	89,988
Furniture	15	13	306,374	410,762
Lumber and Building Materials	6	4	54,151	42,472
Chemicals and Drugs	44	54	342,285	762,629
Paints	9	10	85,289	51,050
Tobacco, Billiards and Beverages	9	5	39,480	42,580
Paper and Paper Products	5	4	14,010	30,110
Books and Periodicals	3	1	27,386	13,000
Rubber Goods	2	4	112,850	43,279
Jewelry	9	7	55,675	73,739
Machinery	6	7	55,378	94,860
Non-Ferrous Metals	1	2	1,952	22,270
Hardware and Tools	19	23	423,367	163,970
Iron and Steel .....	..	2	....	14,849
Hotels and Restaurants	62	68	1,521,304	1,448,842
Petroleum and Coal	8	11	711,797	145,700
Stone, Clay and Glass	3	1	57,451	6,186
Transportation Equipment	16	15	192,277	757,173
All Other	19	29	297,898	431,294
Total Retail Dealers	547	506	\$7,096,554	\$6,627,387
WHOLESALE DEALERS				
Books and Periodicals .....	..	1	....	\$80,000
Chemicals and Drugs	2	2	\$15,100	40,308
Furniture	1	..	26,049	....
Lumber and Building Materials	2	1	241,200	22,000
Groceries, Meat and Fish	30	39	726,479	624,022
Iron and Steel	3	5	62,374	47,149
Leather and Shoes	1	1	15,000	65,000
Machinery	1	4	30,000	186,126
Non-Ferrous Metals	1	3	40,000	82,600
Paints	4	2	53,518	16,000
Paper and Paper Products	1	2	1,500	11,564
Petroleum and Coal	2	4	50,996	160,555
Rubber Goods .....	..	..	....	....
Stone, Clay and Glass	1	..	5,500	....
Clothing and Furnishings	3	..	62,035	....
Dry Goods	9	2	77,840	18,995
Transportation Equipment	4	1	60,576	9,000
All Other	8	6	49,683	132,783
Total Wholesale Dealers	73	73	\$1,517,850	\$1,496,102
AGENTS AND COMMERCIAL SERVICE				
Advertising	2	7	\$55,169	\$123,703
Brokers (Investment)	1	5	185,982	867,413
Cleaners	10	1	67,571	25,000
Garages	5	9	40,985	258,498
Hauling	7	12	115,244	157,892
Insurance and Real Estate	24	25	2,721,034	1,549,824
Laundries	4	1	84,000	12,000
Taxicab Companies	1	..	39,145	....
Undertakers	2	5	8,495	45,488
All Other	18	33	1,676,716	1,376,240
Total Agents & Commercial Ser.	74	98	\$4,994,341	\$4,416,058
Total United States	931	912	\$20,446,761	\$19,325,517

faults was less than in the same time in 1934.

There was a very marked decline in the liabilities involved in trading failures for the six months of this year, as compared with the same period of last year. The reduction in liabilities for defaults in the manufacturing class this year also was heavy.

In the manufacturing division quite a reduction appeared for the second three months this year, compared with the same time last year, as to the number of defaults. For the third division, however, classified as "other commercial," mainly agents and brokers, failures were fewer, this year, but liabilities showed a small increase. The

amount was relatively high, considering the number of defaults.

The increase in the number of trading failures in the second quarter of this year, over that same period of last year, was almost entirely in the Eastern section of the United States, including both the New England division and the Middle Atlantic States.

Commercial Failures in the United States—Second Quarter, 1935

Division	ALL COMMERCIAL, 1935			Total, 1934		CLASSIFIED FAILURES, 1935					
	No.	Assets	Liabilities	No.	Liabilities	Manufacturing	No.	Liabilities	Trading	No.	Liabilities
NEW ENGLAND											
Maine	36	\$66,156	\$423,588	16	\$154,399	8	\$45,735	21	\$222,623	7	\$155,230
New Hampshire	17	86,339	243,559	6	81,485	3	112,341	12	118,611	2	12,607
Vermont	10	30,675	109,909	6	107,891	2	3,088	6	46,357	2	60,464
Massachusetts	178	724,128	2,710,385	187	3,115,331	56	1,333,506	104	1,185,198	18	191,681
Connecticut	75	390,199	620,698	51	822,841	17	145,271	53	373,602	5	101,825
Rhode Island	35	98,218	264,597	40	188,957	10	77,217	23	177,380	2	10,000
Total, 1935	351	\$1,395,715	\$4,372,736	306	\$4,470,904	96	\$1,717,158	219	\$2,128,771	36	\$531,807
Total, 1934	306	\$1,363,259	\$4,470,904	..	..	114	\$1,719,733	158	\$1,558,131	34	\$1,193,040
MIDDLE ATLANTIC											
New York	765	\$4,649,532	\$13,338,793	736	\$20,691,318	220	\$4,400,724	482	\$6,058,363	63	\$2,879,706
New Jersey	223	4,879,446	11,709,585	193	4,527,689	63	2,203,252	135	1,658,770	25	7,847,563
Pennsylvania	206	2,470,125	8,396,352	176	8,089,282	57	1,338,887	141	1,978,599	8	78,866
Total, 1935	1,194	\$11,990,103	\$28,444,730	1,105	\$33,308,289	340	\$7,942,863	758	\$9,695,732	96	\$10,806,135
Total, 1934	1,105	\$18,599,456	\$33,308,289	..	..	316	\$15,398,303	660	\$12,053,518	129	\$5,856,468
SOUTH ATLANTIC											
Maryland	30	\$159,469	\$227,493	47	\$894,350	9	\$58,776	19	\$102,282	2	\$66,435
Delaware	1	10,000	15,000	1	29,726	..	..	..	..	1	15,000
District of Columbia	9	17,372	31,767	21	183,846	2	6,361	6	18,262	1	7,144
Virginia	20	66,513	179,989	38	219,777	2	10,473	18	169,516	..	..
West Virginia	23	193,561	276,809	37	643,839	7	199,701	16	77,108	..	..
North Carolina	36	258,887	371,634	25	1,111,517	2	65,743	32	295,391	2	10,500
South Carolina	4	30,665	37,103	8	146,719	..	..	4	37,103	..	..
Georgia	44	285,963	346,714	14	290,945	9	103,216	32	204,180	3	39,318
Florida	19	156,799	182,205	15	117,928	1	22,378	16	114,067	2	45,760
Total, 1935	186	\$1,179,229	\$1,668,714	206	\$3,647,647	32	\$466,648	143	\$1,017,909	11	\$184,157
Total, 1934	206	\$4,752,391	\$3,647,647	..	..	46	\$1,746,956	143	\$1,497,474	17	\$403,217
SOUTH CENTRAL											
Kentucky	33	\$366,598	\$524,747	19	\$551,194	4	\$182,938	26	\$333,981	3	\$7,828
Tennessee	35	222,553	302,867	28	553,613	7	66,443	27	230,924	1	5,500
Alabama	21	101,061	129,690	23	341,008	1	4,000	20	125,690	..	..
Mississippi	13	66,696	86,447	8	76,547	1	7,857	12	78,590	..	..
Arkansas	28	283,103	317,915	14	173,057	2	11,946	26	305,969	..	..
Oklahoma	37	246,113	299,288	27	494,496	4	57,093	32	239,695	1	2,500
Louisiana	6	28,733	45,245	8	101,483	..	..	5	33,480	1	11,765
Texas	75	490,869	1,014,507	57	622,935	3	253,024	71	711,512	1	49,971
Total, 1935	248	\$1,805,726	\$2,720,706	184	\$2,914,333	22	\$583,301	219	\$2,059,841	7	\$77,564
Total, 1934	184	\$1,826,099	\$2,914,333	..	..	27	\$1,167,905	147	\$1,518,147	10	\$228,281
CENTRAL EAST											
Ohio	153	\$1,581,532	\$2,815,803	158	\$5,873,166	35	\$1,266,259	109	\$1,198,122	9	\$351,422
Indiana	38	617,894	1,222,748	56	925,357	12	865,756	21	295,827	5	61,165
Illinois	167	2,065,449	3,505,006	214	7,264,863	44	1,843,424	107	1,762,282	16	399,300
Michigan	54	480,304	659,640	59	1,629,684	12	318,653	38	288,173	4	52,814
Wisconsin	73	687,012	963,503	88	1,457,902	27	395,500	40	426,675	6	141,328
Total, 1935	485	\$5,432,211	\$9,166,700	575	\$17,150,972	130	\$4,189,592	315	\$8,971,079	40	\$1,006,029
Total, 1934	575	\$11,377,516	\$17,150,972	..	..	156	\$6,118,905	369	\$8,056,533	50	\$2,975,534
CENTRAL WEST											
Minnesota	39	\$380,021	\$475,719	52	\$802,250	5	\$62,666	32	\$391,739	2	\$21,314
Iowa	38	158,752	257,748	33	377,956	2	18,318	33	220,330	3	19,100
Missouri	38	153,209	215,897	37	388,042	3	49,398	31	149,274	4	17,225
North Dakota	5	31,847	68,510	2	17,207	..	..	5	68,510	..	..
South Dakota	6	170,455	198,686	5	9,282	2	98,000	4	100,686	..	..
Nebraska	27	152,822	227,129	37	558,309	3	11,000	20	55,580	4	160,549
Kansas	14	202,072	240,595	13	904,962	..	..	14	240,595	..	..
Total, 1935	167	\$1,249,178	\$1,684,284	179	\$3,058,017	15	\$239,382	139	\$1,226,714	13	\$218,188
Total, 1934	179	\$2,480,902	\$3,058,017	..	..	26	\$696,246	140	\$1,342,838	13	\$1,018,933
WESTERN											
Montana	12	\$12,013	\$66,910	14	\$102,901	2	\$29,819	8	\$31,600	2	\$5,500
Idaho	7	19,300	30,500	6	28,600	1	1,200	6	29,300	..	..
Wyoming	3	35,937	44,458	..	..	..	..	2	19,000	1	25,458
Colorado	35	155,645	454,991	17	189,112	3	90,635	30	361,989	2	2,367
New Mexico	3	8,623	12,781	6	153,230	..	..	3	12,781	..	..
Arizona	..	..	..	..	..	..	..	..	..	..	..
Utah	14	30,080	64,495	17	106,996	2	10,500	12	53,995	..	..
Nevada	..	..	..	1	4,500	..	..	..	..	..	..
Total, 1935	74	\$261,598	\$674,144	61	\$585,339	8	\$132,154	61	\$508,665	5	\$33,325
Total, 1934	61	\$276,441	\$585,339	..	..	11	\$114,199	47	\$359,962	3	\$111,178
PACIFIC											
Washington	49	\$294,562	\$526,470	77	\$713,147	10	\$210,454	37	\$311,867	2	\$4,158
Oregon	69	294,405	589,238	57	567,512	12	156,207	52	379,069	5	53,962
California	280	1,960,354	4,348,916	312	5,799,943	66	994,793	184	2,636,543	30	717,580
Total, 1935	398	\$2,549,321	\$5,464,633	446	\$7,080,602	88	\$1,361,454	273	\$3,327,479	37	\$775,700
Total, 1934	446	\$5,515,559	\$7,080,602	..	..	110	\$2,592,507	295	\$3,637,777	41	\$850,318
Total U. S., 1935	3,103	\$25,872,081	\$54,196,647	3,062	\$72,216,103	731	\$16,632,552	2,127	\$23,931,190	245	\$13,832,905
Total U. S., 1934	3,062	\$46,191,713	\$72,216,103	..	..	806	\$20,554,754	1,959	\$30,024,380	297	\$12,636,969

BANK CLEARINGS FOR JULY AT FOUR-YEAR PEAK

BANK clearings for July were the highest for a Midsummer month since July, 1931. The total was \$24,103,217,000 for the twenty-two leading cities in the United States. The increase was larger for New York City than for the cities outside of New York.

There was only one month this year when the total was higher than for July, and that was the month of March. Not only were bank clearings in July in excess of every other month this year, excepting March, but for no month in nearly three years prior to March have they been so high.

The trend of bank clearings under normal conditions is generally downward from January to August or September, after which there is a reversal of this movement to the end of the year. July, a Midsummer month, shows clearings in excess of June, because of higher half-yearly settlements. This, however, is not always the case.

Considerable irregularity has appeared in this report during the years of depression. For the cur-

Daily Average Bank Clearings

	1935	1934	P. Ct.
July	\$927,047,000	\$795,762,000	+16.5
June	895,995,000	818,342,000	+ 9.5
May	881,098,000	817,264,000	+ 7.8
April	877,230,000	908,558,000	-3.4
Mar.	940,785,000	811,905,000	+15.9
Feb.	868,477,000	865,128,000	+ 0.4
Jan.	907,278,000	760,338,000	+18.0
		1933	
Dec.	868,144,000	745,851,000	+16.5
Nov.	739,992,000	781,474,000	- 2.8
Oct.	753,307,000	778,720,000	- 3.3
Sept.	743,202,000	730,154,000	+ 1.8
Aug.	675,390,000	722,127,000	- 6.5

rent year the report of clearings has been far from normal. Bank clearings for the first quarter of this year were a little higher than in the second quarter but, as previously indicated, there was a marked increase for July.

In this table the totals of bank clearings for each week in July are given:

Bank Clearings Total All

Week of	1935	1934	P. Ct.
July 31..	\$4,781,936,000	\$4,513,069,000	+ 5.9
July 24..	5,315,471,000	4,278,154,000	+24.2
July 17..	5,862,756,000	5,159,872,000	+13.6
July 10..	4,327,361,000	4,709,621,000	- 8.1
July 3..	6,810,432,000	4,516,592,000	+50.9

Bank Clearings Outside of New York

Week of	1935	1934	P. Ct.
July 31..	\$1,645,490,000	\$1,509,737,000	+ 8.8
July 24..	1,707,153,000	1,530,645,000	+11.4
July 17..	1,887,475,000	1,726,222,000	+ 9.4
July 10..	1,483,505,000	1,610,385,000	- 7.9
July 3..	2,053,151,000	1,481,418,000	+40.1

For the first week of August clearings were much higher than those of a year ago. The total was \$5,596,320,000, an increase of 36.9 per cent. They also exceeded those of the last week of July by \$814,384,000, whereas for the same two weeks of 1934 there was a reduction of \$228,528,000. In addition to New York, gains were heavy at Philadelphia, Baltimore, Atlanta, Chicago, Detroit, Cleveland, Cincinnati, and Kansas City.

Figures at leading centers, compared with those of a year ago, follow:

	Week Aug. 7, 1935	Week Aug. 8, 1934	Per Cent Change
Boston	\$198,472	\$189,234	+ 4.9
Philadelphia	329,000	261,000	+ 22.2
Buffalo	28,100	26,700	+ 5.2
Pittsburgh	102,061	93,117	+ 9.6
Cleveland	64,693	54,801	+ 18.1
Cincinnati	42,227	34,717	+ 21.6
Baltimore	65,225	56,193	+ 16.0
Richmond	28,764	26,341	+ 9.2
Atlanta	37,100	32,700	+ 13.5
New Orleans	24,812	21,069	+ 17.8
Chicago	262,400	213,900	+ 22.7
Detroit	99,371	74,260	+ 33.1
St. Louis	75,800	58,200	+ 30.2
Louisville	24,339	20,496	+ 18.8
Minneapolis	62,603	56,796	+ 10.2
Kansas City	96,996	73,540	+ 31.9
Omaha	27,561	25,932	+ 6.3
Dallas	34,804	29,150	+ 19.4
San Francisco	131,700	103,300	+ 27.4
Portland, Ore.	24,122	22,775	+ 6.0
Seattle	27,181	20,706	+ 31.5
Total	\$1,787,331	\$1,494,927	+ 19.6
New York	3,808,989	2,591,614	+ 47.0
Total All....	\$5,596,320	\$4,086,541	+ 36.9

WEEKLY BANK CLEARINGS FOR THE MONTH OF JULY

Week	Five Days	Week		Week		Week		Week			
		July 3,	Per	July 10,	Per	July 17,	Per	July 24,	Per	July 31,	Per
1935	Cent	1935	Cent	1935	Cent	1935	Cent	1935	Cent	1935	Cent
Boston	\$269,411	+54.2	\$176,766	- 6.8	\$223,058	- 5.8	\$223,812	+22.0	\$199,189	+11.6	
Philadelphia	396,000	+36.6	278,000	-12.6	352,000	+14.7	292,000	- 2.3	293,000	...	
Buffalo	32,900	+17.5	24,200	-15.7	30,700	+ 4.4	25,900	+ 4.0	28,300	+ 3.7	
Pittsburgh	126,823	+20.6	78,278	- 9.3	102,400	+ 2.2	98,690	+12.0	102,453	+11.9	
Cleveland	72,648	+33.2	54,225	-17.0	76,908	+11.4	66,883	+ 6.2	61,364	+10.2	
Cincinnati	52,458	+47.6	42,342	+ 3.0	50,306	+ 7.8	47,324	+17.5	41,452	+ 8.2	
Baltimore	72,385	+32.8	49,691	-15.4	60,591	+ 5.0	55,610	+ 9.7	54,435	- 0.8	
Richmond	35,203	+37.8	24,753	-15.5	33,089	+17.6	28,573	+ 6.5	28,444	+11.6	
Atlanta	40,700	+44.3	31,700	-16.4	40,600	+ 6.8	36,800	+11.2	33,900	- 2.6	
New Orleans	28,195	+12.0	21,049	+ 9.1	23,032	+ 1.1	23,888	+15.7	20,304	- 0.9	
Chicago	299,500	+45.3	213,200	- 7.7	275,000	+10.3	236,700	+10.6	244,400	+14.3	
Detroit	98,466	+43.4	66,547	+ 2.7	83,654	+14.1	76,561	+14.0	82,848	+ 9.6	
St. Louis	82,700	+37.6	63,700	+11.6	81,300	+ 4.1	72,000	+ 7.6	67,400	- 1.0	
Louisville	24,875	+20.0	22,188	- 9.2	29,613	+18.6	24,494	+16.5	22,173	+37.0	
Minneapolis	62,337	+28.6	52,409	-10.0	68,554	+20.0	61,554	+20.2	57,388	+15.3	
Kansas City	94,593	+45.0	74,782	-12.3	93,231	+ 5.3	93,586	+14.0	86,018	+ 9.3	
Omaha	28,068	+ 4.9	27,042	- 0.4	30,860	+ 5.6	27,885	+ 2.4	26,312	+ 3.8	
Dallas	35,137	+39.7	29,475	-12.6	37,500	+ 4.4	36,677	+12.7	33,696	+22.8	
San Francisco	140,700	+34.8	107,200	- 1.8	138,385	+27.7	124,936	+30.5	115,235	+21.3	
Portland, Ore.	30,494	+83.8	22,806	+13.6	26,108	+21.7	25,046	+18.1	21,311	+16.3	
Seattle	29,558	+58.6	22,652	- 1.5	30,585	+22.5	28,234	+31.7	25,868	+21.3	
Total	\$2,053,151	+40.1	\$1,483,505	- 7.9	\$1,887,475	+ 9.4	\$1,707,153	+11.4	\$1,645,490	+ 8.8	
New York	4,757,281	+56.7	2,843,856	- 8.2	3,975,281	+15.8	3,608,318	+31.3	3,136,446	+ 4.4	
Total All....	\$6,810,432	+50.9	\$4,327,361	- 8.1	\$5,862,756	+13.6	\$5,315,471	+24.2	\$4,781,936	+ 5.9	

Note—Clearings reported in millions and thousands (000 omitted throughout). Percentage shows increase or decrease compared with the figures of the same week in 1934.

THE TREND OF PRICES

THE trend of wholesale price values turned upward during July, following the downward movement witnessed in June. The gain was influenced mainly by the steady rise in breadstuffs, live-stock and foods generally, in addition to strength in textiles and metals. As a result, both of the monthly indices rose slightly over the preceding figures.

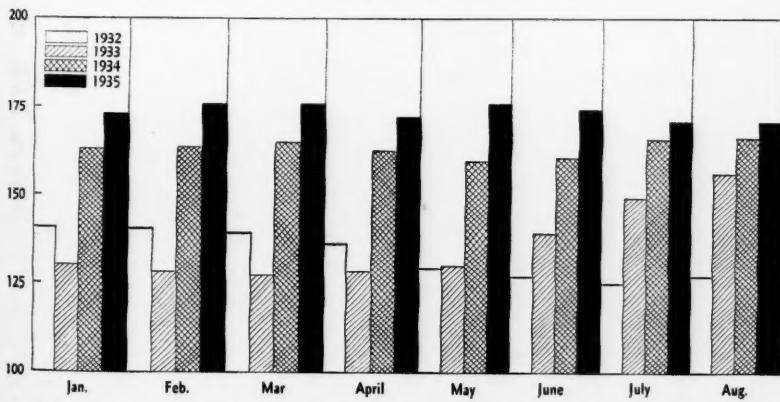
Dun & Bradstreet Turns Upward

With only two interruptions, in March and in June, the Dun & Bradstreet Monthly Commodity Price Index has climbed steadily higher since last November. At \$9.9185 for August 1, the latest index sets a peak for almost five years, and shows a gain of 0.8 per cent over July 1, and of 6.4 per cent above August 1, 1934.

	Aug. 1,	July 1,	Aug. 1,
Groups:	1935	1935	1934
Breadstuffs	\$0.1086	\$0.1066	\$0.1168
Livestock .....	.3353	.3145	.2220
Provisions	2.8064	2.7526	2.2892
Fruits .....	.2301	.2096	.2475
Hides and Leather...	.9625	.9800	.8100
Textiles	2.7885	2.7683	2.7890
Metals .....	.7750	.7640	.7748
Coal and Coke.....	.0109	.0110	.0113
Oils .....	.5033	.5071	.4886
Naval Stores.....	.1193	.1243	.1195
Building Materials...	.1115	.1115	.1079
Chemicals and Drugs..	.8478	.8478	.8477
Miscellaneous .....	.3193	.3443	.4973
Total All.....	\$9.9185	\$9.8416	\$9.3216

	Aug. 1,	July 1,	June 1,	Aug. 1,
	1935	1935	1935	1934
Breadstuffs	\$26.988	\$26.517	\$26.121	\$25.348
Meat	19.942	20.194	23.068	14.840
Dairy & Garden	18.164	17.582	18.761	19.440
Other Food...	17.130	17.228	17.288	16.311
Clothing	29.046	28.746	28.602	27.590
Metals	22.071	21.916	21.999	23.560
Miscellaneous	38.170	38.863	38.475	40.823
Total	\$171.511	\$171.046	\$174.314	\$167.912

DUN'S INDEX NUMBER



Following two declines, Dun's Price Index turned up in July. The improvement was moderate, however, and brought the August 1 position to \$171.511, which represented the highest level for that date since 1929.

The rise in July was due mostly to the widespread advance in foods and breadstuffs and firmness in the textiles and metals groups. In all, 6 groups advanced during the past month, while 5 groups declined and 2 remained unchanged. Individual price changes showed 23 commodities higher, 24 lower and 49 unchanged.

Slight Gain in Dun's Index

After the steady downtrend during the two months preceding, Dun's Index Number of Wholesale Commodity Prices rose to \$171.511 on August 1. The improvement was moderate, however, as the gain over the July 1 position at \$171.046, which represented the year's low, amounted to \$0.465, or 0.03 per cent. The steadiness which marked the course of wholesale prices during July made wide recovery impossible, and the index was lower by 0.9 per cent than on

January 1.

Aug. 1, July 1, June 1, Aug. 1,

1935 1935 1935 1934

	July	June	May	April	Mar.
1....	117.91	117.92	122.00	119.84	122.57
2....	117.80	†	121.25	120.40	122.23
3....	118.07	118.25	121.44	120.74	†
4....	Holiday	118.98	121.30	120.97	121.61
5....	116.41	118.62	†	121.08	121.52
6....	Holiday	119.10	121.16	121.14	121.77
7....	†	118.71	121.00	†	121.48
8....	117.00	118.97	121.17	121.92	122.03
9....	118.09	†	121.50	122.36	121.40
10....	118.00	118.72	121.57	122.95	†
11....	117.61	118.48	120.98	123.19	119.87
12....	117.67	118.01	†	123.32	119.34
13....	Holiday	116.99	120.23	123.76	119.51
14....	†	117.18	120.52	†	118.07
15....	117.41	117.31	120.74	123.24	118.62
16....	117.50	†	121.59	123.92	117.42
17....	118.18	117.50	121.54	123.25	†
18....	118.17	117.56	120.85	123.65	116.22
19....	117.99	117.27	†	Holiday	116.83
20....	Holiday	117.26	121.18	Holiday	117.38
21....	†	117.29	121.18	†	117.28
22....	118.15	Holiday	121.20	123.61	118.09
23....	117.78	†	121.38	122.94	117.76
24....	118.20	116.73	120.63	122.92	†
25....	118.52	116.47	120.13	122.70	118.29
26....	118.97	116.80	†	123.20	118.65
27....	Holiday	116.62	119.94	122.63	119.38
28....	†	117.90	119.53	†	119.28
29....	120.25	Holiday	118.71	122.06	119.44
30....	119.46	†	Holiday	121.79	120.02
31....	120.91		117.84		†

Food Price Rise Sustained

Continuing the upward movement of the past month, the Dun & Bradstreet Weekly Food Index advanced 4c. for the period ended August 6. This represented a gain of 1.5 per cent for the week and of 4.5 per cent above the year's low of \$2.56 recorded in the first week of July. The latest figure, moreover, marks the highest level for wholesale food prices since April 23, last, and shows a rise of 19.7 per cent over a year ago.

	1935	1934	1933	1932	1931
Aug. 6.....	\$2.67	\$2.23	\$1.95	\$1.76	\$2.16
July 30.....	2.63	2.18	1.97	1.74	2.19
July 23.....	2.60	2.18	1.99	1.72	2.19
July 16.....	2.58	2.17	2.08	1.73	2.18
July 9.....	2.58	2.16	2.03	1.73	2.19
July 2.....	2.56	2.16	1.96	1.67	2.15

Daily Commodity Index

Daily fluctuations in the Dun & Bradstreet Daily Weighted Price Index since March 1, 1935, are set forth in the following table:

	(1930-1932 = 100)				
	1935				
	July	June	May	April	Mar.
1....	117.91	117.92	122.00	119.84	122.57
2....	117.80	†	121.25	120.40	122.23
3....	118.07	118.25	121.44	120.74	†
4....	Holiday	118.98	121.30	120.97	121.61
5....	116.41	118.62	†	121.08	121.52
6....	Holiday	119.10	121.16	121.14	121.77
7....	†	118.71	121.00	†	121.48
8....	117.00	118.97	121.17	121.92	122.03
9....	118.09	†	121.50	122.36	121.40
10....	118.00	118.72	121.57	122.95	†
11....	117.61	118.48	120.98	123.19	119.87
12....	117.67	118.01	†	123.32	119.34
13....	Holiday	116.99	120.23	123.76	119.51
14....	†	117.18	120.52	†	118.07
15....	117.41	117.31	120.74	123.24	118.62
16....	117.50	†	121.59	123.92	117.42
17....	118.18	117.50	121.54	123.25	†
18....	118.17	117.56	120.85	123.65	116.22
19....	117.99	117.27	†	Holiday	116.83
20....	Holiday	117.26	121.18	Holiday	117.38
21....	†	117.29	121.18	†	117.28
22....	118.15	Holiday	121.20	123.61	118.09
23....	117.78	†	121.38	122.94	117.76
24....	118.20	116.73	120.63	122.92	†
25....	118.52	116.47	120.13	122.70	118.29
26....	118.97	116.80	†	123.20	118.65
27....	Holiday	116.62	119.94	122.63	119.38
28....	†	117.90	119.53	†	119.28
29....	120.25	Holiday	118.71	122.06	119.44
30....	119.46	†	Holiday	121.79	120.02
31....	120.91		117.84		†

† Sunday

	High	Low
1935....	124.27	Feb. 18
1934....	121.58	Dec. 31
1933....	113.52	July 18
1932....	84.41	Jan. 7

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to DUN & BRADSTREET, INC., of available wheat stocks held on August 3, 1935, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

	<i>Aug. 3, 1935</i>	<i>Changes from Last Week</i>	<i>Aug. 4, 1934</i>
United States, east of Rocky Mountains.....	36,674,000	+ 6,090,000	117,973,000
United States, west of Rocky Mountains.....	2,365,000	+ 404,000	4,791,000
Canada	192,419,000	+ 4,892,000	185,120,000
 Total, United States and Canada.....	231,458,000	+ 11,386,000	307,884,000
United Kingdom and Afloat (Broomhall).....	25,700,000	- 900,000	48,300,000
 Total, American, United Kingdom and Afloat.....	257,158,000	+ 10,486,000	356,184,000
Continent { Marseilles Rotterdam & } (Broomhall).....	2,000,000	- 900,000	4,000,000
Amsterdam			
Total, American and European Supply.....	259,158,000	+ 9,586,000	360,184,000
 Corn—United States and Canada.....	7,817,000	- 243,000	44,830,000
Oats—United States and Canada.....	12,997,000	+ 1,218,000	31,711,000
The combined aggregate wheat visible supply statistics, in bushels, follow. 000 omitted):			(Last three

Corn Exports

(By telegraph to Dun & Bradstreet, Inc.)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

<i>Week ending</i>	<i>1935</i>	<i>1934</i>	<i>1933</i>
Apr. 6.....	1,000	10,000	4,000
Apr. 13.....		19,000	1,000
Apr. 20.....		6,000	
Apr. 27.....		11,000	27,000
May 4.....		5,000	6,000
May 11.....		53,000	4,000
May 18.....		3,000	8,000
May 25.....	1,000	1,000	1,000
June 1.....		2,000	1,000
June 8.....		1,000	5,000
June 15.....		2,000	
June 22.....		2,000	7,000
June 29.....		....	7,000
July 6.....		....	7,000
July 13.....	1,000	....	....
July 20.....		....	4,000
July 27.....		....	7,000
Aug. 3.....	....	....	....
<i>July 1 to date...</i>	1,000	....	18,000

Wheat and Flour Exports

(By telegraph to Dun & Bradstreet, Inc.)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

<i>Week ending</i>	<i>1935</i>	<i>1934</i>	<i>1933</i>
Apr. 6.....	2,814,734	3,426,419	2,391,651
Apr. 13.....	2,798,923	4,673,594	3,690,538
Apr. 20.....	2,844,673	2,817,302	2,344,173
Apr. 27.....	2,986,899	2,856,079	4,675,488
May 4.....	1,748,176	4,087,897	5,397,016
May 11.....	3,289,049	3,934,310	3,569,009
May 18.....	3,802,886	6,214,939	6,804,693
May 25.....	3,895,495	3,885,182	5,314,386
June 1.....	3,878,583	3,819,231	4,388,198
June 8.....	1,276,420	3,589,031	5,625,520
June 15.....	1,183,644	3,611,730	9,515,979
June 22.....	1,905,805	4,088,852	3,186,156
June 29.....	3,149,123	3,917,913	3,889,712
July 6.....	1,820,161	2,121,280	2,871,189
July 13.....	2,022,880	3,812,923	3,738,840
July 20.....	1,596,768	3,846,957	2,755,448
July 27.....	2,564,594	3,100,955	2,619,189
Aug. 3.....	2,547,974	3,181,307	8,41,702

July 1 to date. 10,552,377 15,043,424 15,546,318

Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

Week	Flour, bbls.	Wheat, bus.	Corn, bus.	Oats, bus.
Aug. 4, 1935.....	340	17,473	1,727	1,577
July 27, 1935.....	331	11,166	1,851	643
July 20, 1935.....	396	8,688	2,476	377
July 13, 1935.....	371	5,593	1,302	410
July 6, 1935.....	310	3,780	1,850	788
Aug. 5, 1934.....	362	9,887	12,040	2,427
<i>Season, July 1, 1935, to August 3, 1935</i>				
Flour, bbls.....	1,748	Corn, bus.....		9,208
Wheat, bus.....	46,700	Oats, bus.....		3,795
<i>Season, July 1, 1934, to August 4, 1934</i>				
Flour, bbls.....	1,589	Corn, bus.....		39,975
Wheat, bus.....	69,987	Oats, bus.....		6,691

Cereal Exports by Ports

(By telegraph to Dun & Bradstreet, Inc.)

Exports of cereals from leading ports in the United States and Canada for the week ending August 3, 1935, were as follows:

<i>From</i>	<i>Flour, barrels</i>	<i>Wheat, bushels</i>	<i>Corn, bushels</i>
New York.....	5,216	356,000	
Albany, N. Y.	.....	392,000	
Philadelphia.....	.....	.....
Baltimore.....	.....	.....
Boston.....	.....	.....
New Orleans.....	1,000	.....
 Total, Atlantic.....	6,216	748,000	
Previous week.....	6,030	827,000	
 San Francisco.....	982	.....
Portland, Ore.....	.....	.....
Puget Sound.....	3,675	.....
 Total, Pacific.....	4,657	.....
Previous week.....	8,983	168	
 Total, U. S.....	10,873	748,000	
Previous week.....	15,018	827,168	
 Montreal.....	79,000	757,000	
Sorel.....	.....	229,000	
Halifax.....	2,000	.....
Vancouver.....	.....	375,545	
Quebec.....	.....	25,000	
 Total, Canada.....	81,000	1,386,545	
Previous week.....	110,801	1,171,263	
 Grand total.....	91,873	2,134,545	
Previous week.....	125,814	1,998,481	

of Statistics of Ottawa.

Pacific Coast Wheat Stocks		Aug. 3, 1935	July 27, 1935
Portland, Ore.	.....	1,148,000	959,000
Tacoma, Wash.	.....	629,000	412,000
Seattle, Wash.	.....	588,000	590,000

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to DUN & BRADSTREET, INC., by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

DUN & BRADSTREET MONTHLY REVIEW

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	July, 1935	July, 1934	Ch'ge P. Ct.	June, 1935	Ch'ge P. Ct.
Bank clearings, N. Y. City (billions).....	16,271,458	13,048,393+	24.7	15,002,041+	8.5
Bank debits, N. Y. City (\$).*	16,736,780	13,841,956+	20.9	15,066,826+	6.8
Bank debits, U. S. (\$).*	33,893,538	27,751,905+	20.3	31,581,403+	5.7
Bank sales, N. Y. Curb Exchange (\$).	86,443,764	122,575,547-	29.3	69,156,305+	24.0
Bond sales, N. Y. Stock Exchange (\$).	101,676,000	74,054,000+	37.3	99,806,000+	1.9
Bond sales, N. Y. Stock Exchange (\$).	233,990,900	264,604,200-	11.6	265,098,200-	11.7
Corporate issues † (\$). . .	451,011,000	238,429,750+	90.8	358,513,150+	25.8
Fallures, number † . . .	931	912+	2.1	961-	3.1
Stock sales, N. Y. Curb Exchange (shares).	4,959,993	4,136,730+	19.9	4,439,257+	11.7
Stock sales, N. Y. Stock Exchange (shares).	29,429,387	21,115,884+	39.4	22,339,512+	31.7
	June, 1935	June, 1934	Ch'ge P. Ct.	May, 1935	Ch'ge P. Ct.
Automobile financing, re- tail (\$).	106,048,353	99,113,597+	7.0	107,820,587-	1.6
Auto. financing, whole- sale (\$).	118,626,411	102,706,220+	15.5	132,074,008-	10.2
Fire losses (\$).	18,499,675	20,005,692-	7.5	21,238,205-	12.9
Foreign Trade, U. S. Mdse. Exports (\$). . . .	170,193,000	170,519,000-	0.2	185,456,000+	2.9
Foreign Trade, U. S. Mdse. Imports (\$). . . .	156,750,000	136,109,000+	15.2	170,559,000-	8.1
Life insurance, sales, (\$). .	697,471,000	762,490,000-	8.5	732,188,000-	4.7
Ry. earnings, gross (\$). .	281,335,912	282,779,493-	0.5	279,549,320+	0.6
Ry. earnings, net oper. income (\$).	34,024,691	42,037,757-	19.1	39,505,068-	13.9

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.

PRODUCTION

	July, 1935	July, 1934	Ch'ge P. Ct.	June, 1935	Ch'ge P. Ct.
Building† (215 cities) (\$)	54,191,787	33,899,650+	59.9	52,677,389+	2.9
Coal, anthracite (tons) . . .	3,549,000	3,448,000+	3.1	5,642,000-	37.1
Coal, bituminous (tons) . . .	22,252,000	24,869,000-	10.5	30,067,000-	26.0
Flour (bbls)	4,818,990	4,780,134+	0.8	4,773,345+	0.9
Pig iron (tons)	1,520,263	1,224,826+	24.2	1,552,514-	2.1
Steel ingot (tons)	2,270,224	1,489,453+	52.5	2,230,893+	1.8
Zinc (tons)	35,055	24,756+	41.6	34,677+	1.1
	June, 1935	June, 1934	Ch'ge P. Ct.	May, 1935	Ch'ge P. Ct.
Automobile (cars and trucks)	361,320	306,477+	17.9	364,727-	0.9
Boots and shoes (pairs) . . .	26,485,379	28,543,777-	7.2	30,749,816-	13.9
Babbitt metal (lbs.) . . .	2,166,755	2,261,692-	4.2	2,244,886-	3.5
Cement (bbls)	8,730,000	8,813,000-	0.8	8,222,000-	6.2
Coke (tons)	2,660,113	3,050,975-	12.8	2,850,236-	6.7
Contract contracts awarded (37 States) †† (\$). . .	148,005,200	127,116,000+	16.4	126,719,000+	16.8
Cotton mill spin. hours* . .	5,083,388	5,253,454-	3.2	5,095,335-	16.6
Electricity, kw. h. . . . *	7,872,000	7,490,000+	5.1	8,021,000-	1.9
Gasoline (bbls)	38,180,000	34,850,000+	9.6	37,583,000+	6.6
Glass, pl. pol. (sq. ft.) . .	13,163,000	6,520,000+	101.9	14,002,000-	9.7
Gold (Rand) (ozs)	889,026	868,129+	2.4	916,025-	2.9
Lead, refined (tons)	33,002	33,218-	0.7	37,358-	11.7
Malleable castings (tons) .	27,548	28,340-	2.8	34,729-	20.7
Newspaper, U. S. & Can- ada (tons)	309,359	313,154-	1.2	327,054-	5.4
Paperboard (tons)	256,665	224,214+	14.5	262,463-	2.2
Petroleum crude (bbls) . .	82,335,000	80,404,000+	2.9	82,454,000-	0.1
Pneumatic casings	4,175,170	4,456,223-	6.3	4,511,735-	7.4
Rage boilers (no.)	88,647	34,741+155.2	5.1	96,771+143.5	43.5
Steel barrels	504,930	701,826-	28.1	551,882-	8.5
Steel castings, commer- cial (tons)	27,665	50,268-	45.0	30,646-	9.7
Steel sheets (short tons) .	143,309	199,438-	28.1	191,507-	25.2
Sulphuric acid (tons) . . .	99,176	92,894+	6.8	111,102-	10.7
Tobacco and products Cigarettes, small	12,119,688	12,045,063+	0.6	11,708,756+	3.5
Cigars, large	402,272,246	404,455,760-	0.5	407,751,360-	1.3
Tobacco and snuff (lbs)	27,879,210	29,419,516-	5.2	30,602,884-	8.9

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ F. W. Dodge Corp.

§ May and corresponding months.

SHIPMENTS AND CONSUMPTION

	July, 1935	July, 1934	Ch'ge P. Ct.	June, 1935	Ch'ge P. Ct.
Silk consumption (bales) .	44,166	32,021+	37.9	33,728+	30.9
Steel shipments (tons) . . .	547,794	369,938+	48.1	578,108-	5.2
Tin, deliveries U. S. (long tons)	5,290	3,575+	48.0	4,615+	14.6
Zinc, shipments (tons) . . .	32,241	26,968+	19.6	29,393+	9.7
	June, 1935	June, 1934	Ch'ge P. Ct.	May, 1935	Ch'ge P. Ct.
Anthracite, ship. (tons) . .	4,878,738	3,495,228+	39.6	4,846,863+	12.2
Babbitt met. sales (lbs) . .	1,565,323	1,618,615-	3.3	1,806,268-	13.3
Carloading (cars)	2,582,800	2,710,100-	4.7	2,589,600-	0.3
Cement, ship. (bbls) . . .	7,624,000	8,541,000-	10.7	7,428,000+	2.6
Coal, anth. and bit. ind. cons. (tons)	21,047,000	21,895,000-	3.9	22,866,000-	6.9
Cotton cons. (bales) . . .	385,945	363,262+	6.2	469,250-	17.8
Gasoline cons. (bbls) . . .	37,884,000	36,296,000+	4.4	39,089,000-	3.1
Lead, refined (tons) . . .	26,978	28,276-	4.6	32,341-	16.6
Malleable castings (tons) .	31,905	31,607+	0.9	37,573-	15.1

AUGUST, 1935

SHIPMENTS AND CONSUMPTION (Continued)

	June, 1935	June, 1934	Ch'ge P. Ct.	May, 1935	Ch'ge P. Ct.
Newsprint, U. S. & Can- ada (tons)	305,181	305,302-	0.1	335,995-	9.2
Oil-burners (no.) . . .	10,556	6,047+	74.6	9,984+	5.7
Paints & var., sales (\$)	32,509,813	28,154,013+	15.5	36,343,687-	10.5
Petroleum, crude, runs- to-stills (bbls)	81,724,000	76,054,000+	7.5	80,412,000+	1.6
Pneumatic casings . . .	4,067,388	5,331,699-	23.7	5,143,599-	20.9
Prep. roofing (squares) .	2,212,765	1,325,974+	66.9	2,881,532-	23.2
Range boilers (no.) . . .	85,574	33,180+157.9	60,378+	41.7	
Rubber cr. cons. (tons) .	36,623	40,147-	8.8	41,568-	11.9
Steel barrels	501,730	696,349-	27.9	554,102-	9.5
Steel sheets, ship. (short tons)	160,812	301,832-	46.7	186,971-	14.0
Sulph. acid, cons. (tons) .	75,690	80,214-	5.6	87,944-	13.9
Waste paper (consump- (tons)	213,523	207,476+	2.9	219,767-	2.8
Wool consump. (lbs) . .	73,500,000	26,212,000+	180.4	64,600,000+	13.8

§ May and corresponding months.

STOCKS ON HAND AT END OF MONTH

	July, 1935	July, 1934	Ch'ge P. Ct.	June, 1935	Ch'ge P. Ct.
Silk, raw (bales)	32,654	66,268-	50.7	42,018-	22.3
Tin, world's visible sup- ply (long tons)	13,162	16,813-	19.3	14,275-	7.8
Zinc (tons)	115,723	97,462-	18.7	112,909+	2.5
	June, 1935	June, 1934	Ch'ge P. Ct.	May, 1935	Ch'ge P. Ct.
Bathroom access. (pcs) .	309,126	308,191+	0.3	309,645-	0.2
Vitreous clay	61,054	75,366-	19.0	60,943-	0.2
Non-vitreous clay . . .	23,098,000	21,600,000+	8.9	21,991,000+	5.0
Cement (bbls)	30,853,000	29,335,000+	35.8	34,881,000+	14.3
Coke, by-product (tons) .	2,785,578	2,047,142	36.1	2,790,706-	0.1
Cotton ex. Int. (bales) .	882,947	1,326,089-	33.4	979,130-	9.8
In mix. plants	6,077,634	5,984,939+	1.5	6,560,247-	7.4
In warehouses	32,499,000	33,885,000-	4.1	34,725,000-	6.4
Lead, refined (tons) . . .	231,077	238,181-	3.0	225,057+	2.7
Newsprint, U. S. & Can- ada (tons)	74,267	70,910+	4.7	71,314+	4.1
Oil-burners (no.)	14,206	18,094-	21.5	14,025+	1.3
Petroleum, crude, excl. Calif. (bbls)	294,314,000	315,051,000-	6.8	298,240,000-	1.3
Porcelain plumbing fix- tures (pieces)	10,600	10,981-	3.5	10,688-	0.8
Pneumatic casings . . .	11,130,764	11,126,567+	0.1	11,003,237+	1.2
Rangle boilers (no.) . . .	32,201	34,902-	7.7	29,458+	9.3
Rubber, U. S. & Afloat (long tons)	376,051	405,159-	7.2	363,656-	3.4
Steel barrels	33,470	44,672-	25.1	30,270-	10.6
Steel sheets (sh. tons) .	126,301	106,950-	18.3	124,442-	1.7
Sulphuric acid (tons) . .	97,901	92,721-	5.8	97,665-	0.2
Waste paper (tons) . . .	263,229	237,500+	10.7	256,000+	2.8

§ May and corresponding months.

GOVERNMENT STATISTICS

	June 30, 1935	June 30, 1934	May 31, 1935
Money in circul. U. S. (\$)	5,568,099,785	5,373,469,752	5,539,536,286
Population	127,157,000	126,425,000	127,096,000
Per capita (\$).	43.79	42.50	43.59
Gen. stock money. U. S. (\$)	15,114,041,981	13,634,380,567	14,811,767,191
	July 31, 1935	July 31, 1934	June 30, 1935
Debt, gross, U. S. (\$). .	29,119,769,527	27,189,245,813	28,700,892,624
United States:			
Receipts, ordinary (\$). .	278,908,944	218,188,802	463,733,361
Expenditures, ord. (\$). .	380,149,500	230,394,992	480,602,420
Expenditures, emerg. (\$). .	347,385,728	235,878,916	425,017,610
	June 30, 1935	May, 1935	Apr., 1935
Base Year			
DUN'S	\$171,511	\$171,046	\$167,912
BRADSTREET'S	9,918	\$9,846	\$9,9070
U. S. Bureau of Labor	1926	1928	74.6
Annalist	1913	123.6	114.4
Canada (Dom. Bureau)	1926</td		

JULY BUILDING PERMIT VALUES BY CITIES

THE detailed report of building permit values by cities for July, 1935 and 1934, and for June, 1935, as reported to Dun & Bradstreet, Inc., follows:

	Mid. Atlantic (Cont.)	July, 1935	July, 1934	June, 1935	South Central	July, 1935	July, 1934	June, 1935
New Brunswick	\$12,195	\$7,605	\$37,795		Abilene	\$16,395	\$8,275	\$6,630
New Rochelle	131,230	84,178	23,323		Amarillo	32,738	22,324	22,803
Niagara Falls	81,711	122,105	80,423		Austin	252,236	94,427	319,460
Philadelphia	1,017,770	656,160	29,080		Beaumont	41,191	39,254	43,261
Pittsburgh	886,205	174,760	373,155		Birmingham	216,067	74,272	93,518
Poughkeepsie	35,650	54,325	1,190		Chattanooga	104,290	42,516	51,706
Reading	15,235	29,920	45,405		Dallas	345,454	155,394	272,539
Rochester	170,991	112,887	272,131		El Paso	22,187	13,084	96,296
Schenectady	82,015	104,803	52,244		Fort Smith	13,933	9,653	13,995
Scranton	65,309	85,306	30,175		Fort Worth	22,100	56,308	192,700
Syracuse	78,850	252,795	703,085		Galveston	39,592	37,210	27,708
Troy	107,850	12,223	196,610		Houston	597,315	259,395	551,115
Utica	32,573	21,159	21,180		Jackson	92,700	44,832	82,275
Watertown	10,324	10,249	38,484		Knoxville	57,483	60,116	84,736
White Plains	65,325	20,305	34,160		Little Rock	45,386	21,728	89,443
Wilkes-Barre	94,779	40,402	35,682		Memphis	241,800	83,720	200,330
Williamsport	27,531	12,851	38,451		Mobile	35,225	43,786	23,020
Wilmington	208,330	131,280	150,219		Montgomery	465,671	47,092	62,785
Yonkers	268,905	71,360	272,160		Muskogee	2,060	1,010	8,805
York	57,401	25,633	82,722		Nashville	355,633	107,396	220,336
Total	\$16,405,334	\$12,327,292	\$18,040,079		New Orleans	198,153	228,516	1,618,062
Fall River	7,699	6,054	12,079		Oklahoma City	263,010	228,806	255,875
Fitchburg	16,905	157,020	15,486		Port Arthur	33,220	15,948	89,616
Greenwich	94,850	78,925	125,275		San Angelo	14,000	3,546	14,370
Hartford	190,014	140,669	135,656		San Antonio	152,222	53,558	119,660
Haverhill	19,265	8,655	33,215		Shreveport	78,327	130,607	118,804
Holyoke	37,000	34,150	55,675		Tulsa	171,986	46,167	178,288
Lawrence	39,997	13,615	31,500		Waco	35,013	14,939	24,080
Lowell	56,434	29,650	14,760		Wichita Falls	38,715	29,321	13,327
Lynn	19,251	24,733	261,647		Total	\$4,184,102	\$2,062,951	\$4,895,773
Manchester	34,850	27,183	33,560		West Central			
Medford	20,335	17,355	16,390		Cedar Rapids	\$100,002	\$47,685	\$148,808
New Bedford	41,025	37,650	36,200		Davenport	45,646	21,000	37,227
New Britain	198,653	18,663	78,071		Des Moines	303,965	106,130	159,170
New Haven	253,172	1,450,847	115,635		Dubuque	17,708	8,120	11,000
Newton	202,694	144,575	260,870		Duluth	92,121	68,918	64,254
Norwalk	72,815	32,375	63,840		Fargo	41,409	12,675	35,550
Portland, Me.	22,733	11,373	31,818		Kansas C., Kan.	1,704,238	63,625	18,829
Providence	177,850	213,600	324,550		Kansas C., Mo.	699,400	285,500	345,000
Quincy, Mass.	40,080	31,632	355,045		Lincoln	259,262	123,347	71,923
Salem	37,960	38,450	28,790		Minneapolis	447,015	138,920	326,160
Somerville	18,110	5,925	55,985		Omaha	137,352	65,470	189,857
Sprfield, Mass.	71,865	84,151	53,040		St. Joseph	22,360	6,680	37,800
Stamford	39,935	30,405	47,845		St. Louis	619,518	286,534	609,895
Waterbury	62,055	33,175	34,650		St. Paul	345,039	220,368	369,162
West Hartford	248,996	105,172	558,442		Sioux City	35,600	143,314	56,197
Worcester	132,377	109,678	142,992		Sioux Falls	43,770	7,535	56,440
Total	\$3,046,615	\$5,327,137	\$4,075,092		Topeka	116,700	20,350	2,525
Middle Atlantic					Wichita	119,576	67,765	96,319
Manhattan 1	\$8,739,425	\$397,875	\$1,639,145		Total	\$5,060,681	\$1,693,936	\$2,635,916
Manhattan 2	2,356,635	2,199,680	1,443,790		Mountain			
Bronx 1	1,260,775	1,575,050	1,720,205		Billings*	\$48,825	\$86,775	\$71,775
Bronx 2	390,887	340,620	305,743		Boise	70,039	22,575	105,991
Brooklyn 1	1,069,005	1,021,510	1,973,695		Butte	11,175	1,079	5,020
Brooklyn 2	642,845	838,091	654,855		Colorado Spgs	31,470	415,479	26,645
Queens 1	1,126,993	896,905	3,972,155		Denver	425,214	230,000	459,751
Queens 2	421,323	470,891	470,969		Great Falls	29,545	9,860	43,930
Richmond 1	151,545	84,798	294,445		Ogden	129,565	6,681	51,173
Richmond 2	54,180	83,465	601,689		Phoenix	120,559	37,270	57,334
Total	\$11,213,613	\$7,908,885	\$13,076,671		Pueblo	10,294	49,231	11,707
1. New York. 2. Alterations.					Salt Lake City	449,750	42,000	149,827
Albany	\$140,385	\$206,534	\$236,911		Tucson	420,232	101,563	86,535
Allentown	46,250	21,870	7,095		Total	\$1,697,843	\$915,738	\$997,913
Altoona	55,477	16,154	11,354		* Not included in totals.			
Atlantic City	45,930	98,776	68,670					
Auburn	6,010	25,900	25,280					
Bayonne	48,130	28,687	24,696					
Binghamton	182,998	66,345	153,173					
Buffalo	376,790	706,660	338,577					
Camden	28,712	66,460	30,676					
East Orange	55,885	52,700	83,308					
Elizabeth	69,765	13,544	53,545					
Flimira	9,365	12,470	11,142					
Erie	177,622	10,800	58,620					
Harrisburg	29,375	7,550	191,805					
Jamestown	175,605	11,050	13,451					
Jersey City	36,021	90,011	28,608					
Lancaster	31,122	59,910	20,235					
Mount Vernon	40,175	56,685	60,910					
Newark, N. J.	245,925	840,952	236,968					
Total	\$9,889,343	\$5,111,437	\$8,117,236					

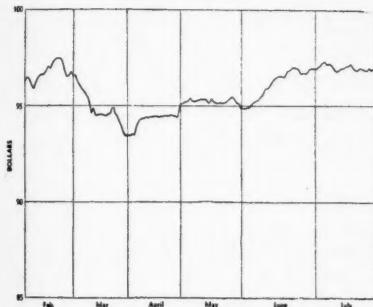
SECURITY VALUES AT NEW HIGH FOR YEAR

by GEORGE RAMBLES

RAPID progress toward healthy conditions in the New York securities markets again was in evidence throughout July. For the fourth successive month prices of stocks improved. The movement was quite pronounced and clearly resulted from a gain in confidence and an improvement in business conditions that took in almost all major industries.

Occasional periods of liquidation developed, but the realizing sales were absorbed readily in all instances, and only temporary interruptions thus were noted in the upward trend. Hundreds of issues attained their highest levels of the year, and in many instances the best figures since 1931 were reached.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." The sharp price gains of the month preceding were well maintained during July, with senior issues selling under par value unusually strong in demand.

The upward tendency was accompanied by a broadening of the market. The number of equities traded on the New York Stock Exchange was large at all times, while transactions exceeded 1,000,000 shares on fifteen days.

Total stock transactions for the month were 29,429,387 shares, against 22,339,512 in the preceding month and 21,115,884 in the same month of last year. The activity during July was due rather to a

continuous interest on the part of the investing public than to a few days of exceptional activity, and in this sense also the performance was noteworthy.

In the listed bond market the trend was equally satisfactory. High-grade bonds of all descriptions were well maintained, indicating that there was no rush from senior securities into equities because of fears of currency tinkering.

Senior issues that are selling under par value were in demand at almost all times, apparently on the assumption that business improvement will make them worth more nearly par value. Bond transactions for the month totalled \$233,000,000, par value, against \$264,000,000 in July, last year.

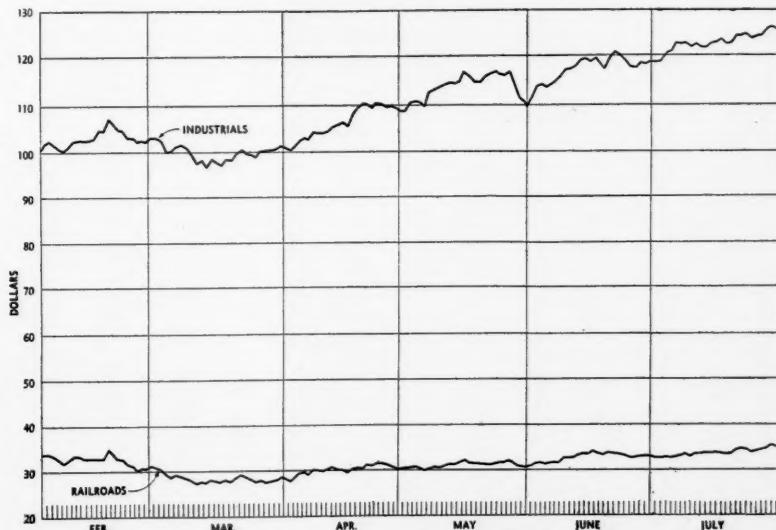
One of the most encouraging developments of the month was an unusually large aggregate of new and refunding bond and stock issues. Capital flotations during

July amounted to no less than \$531,000,000, and in this respect the month was the most active since March, 1931. All classes of borrowers were represented, but public utility financing was by far the most prominent, while railroad issues barely appeared.

Idle investment funds were at virtually record levels, with excess reserves of member banks amounting to \$2,510,000,000 at the end of the month, and all sound flotations were absorbed readily. There were no indications of congestion in the capital market.

Steel and motor stocks were in good demand during a majority of the sessions. Profit-taking invariably brought new investors into the market, and substantial net advances were scored in such issues. Railroad shares were dull during the first half of July, but improved subsequently, on the prospect of Federal legislation for regulation of truck and bus transportation.

STOCK PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." For the fourth successive month the trend of stock prices was upward, with many issues reaching the highest level since 1931. Industrials advanced uninterruptedly, but rails held steady until middle of July.

INTERNATIONAL MONEY MARKETS

ALTHOUGH international currency confusion continues without abatement, there is at least some reason for believing that the world's web of business and financial relationships is being patched together as rapidly as conditions will permit. In many directions improvement is noted in foreign trade, and business men are making ever more emphatic their demand for currency stability, so that greater advances can be made. In the financial sphere it is noteworthy that the Canadian Government has decided to file a registration statement at Washington and resume borrowing in the United States market.

But the indications of confidence in a few currency relationships still are outweighed by the unsettled evident with regard to the gold currencies of Europe. During July new incidents of a perturbing nature arose. The Netherlands guilder was subjected to pressure on the development of a political and financial crisis in

Holland which was not unlike that which afflicted France late in May.

Uncertainty also was introduced in July regarding several so-called gold exchange standard currencies, and it is evident that new difficulties impend. All signs point to the coming Autumn as an exceedingly trying period, so far as the international money markets are concerned.

European Situation Confused

The newest crisis in the Netherlands developed in mid-July, when Premier Hendryk Colijn proposed a curtailment of 70,000,000 guilders in Government expenditures, to the end that the budget might be balanced and the guilder safeguarded.

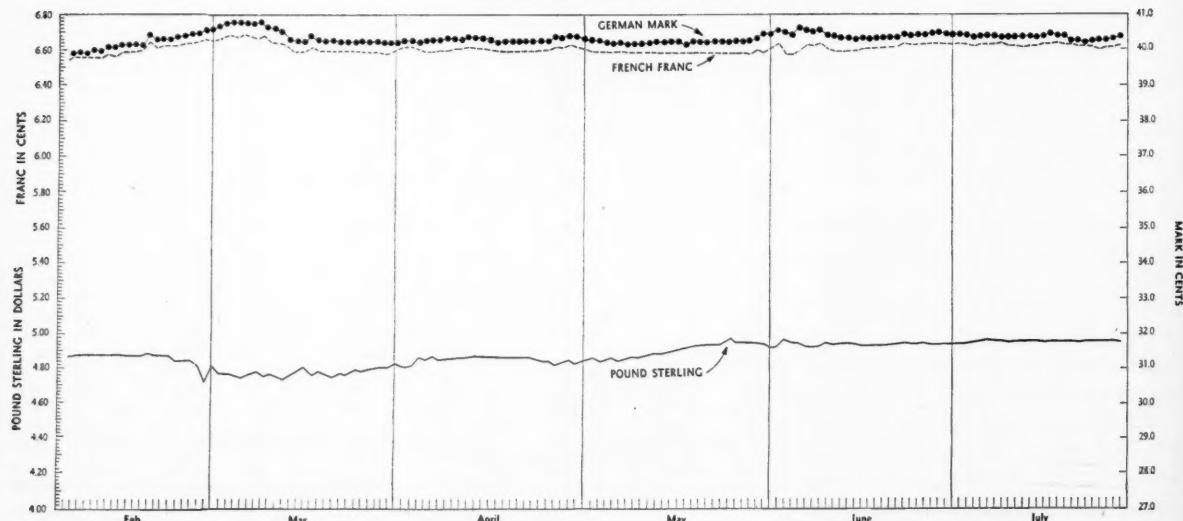
Premier Colijn is noted for his sound money views and his determination to prevent devaluation in the Netherlands, and his resignation prompted a large capital flight and speculative operations against the guilder. That unit dropped instantly to the point where gold exports were found

necessary to protect the currency, and in the period of one week Holland lost 130,800,000 guilders in gold, or about one-fifth of the available stocks.

Efforts by others to form a Cabinet were fruitless, and Premier Colijn was recalled. He decided, however, to postpone until September consideration of the budgetary curtailment, and the net result of the incident thus far is a weakening of Holland's ability to resist new depredations by speculators and frightened capitalists.

In France, energetic action was taken July 16 by Premier Pierre Laval to meet the danger of a large and continued Government deficit, but here also the day of reckoning appears only to have been postponed. Acting under the decree powers granted to him by a reluctant Parliament, M. Laval ordered extraordinary measures, which include a 10 per cent reduction in the interest payable on French Government internal obligations, lower salaries for civil employees

THE DOLLAR ABROAD



Stability was maintained through July in the foreign exchange markets, in the direct and indirect relationships of the United States dollar, the pound sterling, and the French franc. The guilder fell to the gold export level when the crisis developed, but recovered quickly. Italian lire receded; marks were steady.

and higher taxes on relatively wealthy individuals.

By these and other means it is hoped to cover the national deficit of about 11,000,000,000 francs. Whether these measures will prove acceptable to the French people and their parliamentary representatives will not be known definitely until October, when the Chamber and Senate will reassemble and M. Laval will have to answer for his decrees.

Also indicative of the chaotic international monetary position is the mounting pressure to which the Italian lira has been subjected

as a consequence of preparations for a possible conflict with Ethiopia. Imports of war materials by Italy have increased rapidly, and for some time the means of payment were found in the supplies of foreign exchange and external credits of Italian citizens which were requisitioned some months ago.

Another step in the exchange crisis was taken July 22, when a decree was issued permitting the Bank of Italy to disregard the requirement for a 40 per cent gold cover against note liabilities. It is anticipated now that the slender

gold stocks of Italy will be utilized to pay for necessary imports.

In the foreign exchange markets, stability was maintained throughout July in the direct and indirect relationships of the United States dollar, the pound sterling and the French franc. The guilder fell to the gold export level when the crisis developed in Holland, but speedily recovered. Italian lire receded, and various quotations at discounts were established for lira utilisable in different ways. Silver was steady and the units dependent on that metal also held well.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING JULY, 1935

Country and Par	Mon. July 1	Tues. July 2	Wed. July 3	Thurs. July 4	Fri. July 5	Sat. July 6	Mon. July 7	Tues. July 8	Wed. July 9	Thurs. July 10	Fri. July 11	Sat. July 12	Mon. July 13	Tues. July 14
England, checks (Pound \$8.2397).....	4.94 1/2	4.94	4.94 1/2	4.95	4.96	4.97	4.96 1/2	4.96 1/2	4.96	4.96 1/2	4.96 1/2	4.96 1/2	4.96 1/2	4.96 1/2
England, cables (Pound \$8.2397).....	4.94 1/2	4.94	4.94 1/2	4.95	4.96	4.97	4.96 1/2	4.96 1/2	4.96	4.96 1/2	4.96 1/2	4.96 1/2	4.96 1/2	4.96 1/2
France, checks (Franc 6.6335c).....	6.63 1/2	6.63	6.63 1/2	6.62 1/2	6.63	6.63 1/2	6.63 1/2	6.63	6.62 1/2	6.62 1/2	6.62 1/2	6.61 1/2	6.62	6.62 1/2
France, cables (Franc 6.6335c).....	6.63 1/2	6.64	6.63 1/2	6.62 1/2	6.63 1/2	6.63 1/2	6.64	6.62 1/2	6.62 1/2	6.61 1/2	6.62 1/2	6.62 1/2	6.63 1/2	6.63 1/2
Germany, checks (Mark 40.33c).....	40.46	40.46	40.42	40.33	40.39	40.42	40.40	40.33	40.34	40.34	40.34	40.37	40.38	40.39
Germany, cables (Mark 40.33c).....	40.48	40.48	40.44	40.35	40.41	40.44	40.42	40.35	40.36	40.36	40.36	40.39	40.40	40.41
Belgium, checks (Belga 16.95c).....	16.93 1/2	16.92	16.92 1/2	16.89	16.90 1/2	16.92	16.89 1/2	16.90 1/2	16.89	16.91	16.91	16.95	16.95	16.91
Belgium, cables (Belga 16.95c).....	16.94	16.93 1/2	16.93	16.89 1/2	16.91	16.92 1/2	16.92	16.90	16.89	16.91	16.91	16.95	16.95	16.91
Holland, checks (Guilder 68.056c).....	68.22	68.20	68.23	68.14	68.21	68.23	68.22	68.12	68.13	68.14	68.23	68.20	68.18	68.18
Holland, cables (Guilder 68.056c).....	68.33	68.34	68.27	68.18	68.25	68.27	68.26	68.16	68.17	68.18	68.27	68.24	68.22	68.22
Czechoslovakia, checks (Crown 4.18c).....	4.19 1/2	4.19	4.19	4.18 1/2	4.19	4.19	4.19 1/2	4.19	4.18 1/2	4.18 1/2	4.17 1/2	4.18 1/2	4.18 1/2	4.18 1/2
Czechoslovakia, cables (Crown 4.18c).....	4.19 1/2	4.19	4.19 1/2	4.18 1/2	4.19	4.19	4.19 1/2	4.19	4.18 1/2	4.18 1/2	4.17 1/2	4.18 1/2	4.18 1/2	4.18 1/2
Switzerland, checks (Franc 32.67c).....	32.83 1/2	32.84	32.81	32.75 1/2	32.79	32.81 1/2	32.84 1/2	32.79 1/2	32.77 1/2	32.74 1/2	32.78	32.81	32.79	32.79
Switzerland, cables (Franc 32.67c).....	32.84	32.85	32.81 1/2	32.76	32.79 1/2	32.82	32.85	32.80	32.78	32.75	32.78	32.81	32.79	32.79
Italy, checks (Lira 8.91c).....	8.29 1/2	8.29	8.29 1/2	8.27	8.28 1/2	8.28	8.26	8.24	8.24	8.23	8.23	8.23	8.23	8.24
Italy, cables (Lira 8.91c).....	8.30	8.30	8.29 1/2	8.28	8.28 1/2	8.27	8.26	8.24	8.24	8.23	8.23	8.23	8.23	8.24
Spain, checks (Peseta 32.67c).....	13.75	13.75	13.74	13.72	13.73 1/2	13.74 1/2	13.75 1/2	13.75	13.73	13.73	13.72	13.72	13.72	13.73 1/2
Spain, cables (Peseta 32.67c).....	13.76	13.76	13.75	13.73	13.74 1/2	13.75 1/2	13.76	13.74	13.73	13.73	13.72	13.72	13.73	13.74 1/2
Portugal, checks (Escudo 7.483c).....	4.52	4.52	4.52	4.52 1/2	4.53	4.54	4.54	4.53	4.53	4.53	4.53	4.53	4.53	4.53
Portugal, cables (Escudo 7.483c).....	4.52	4.52	4.52	4.52 1/2	4.53	4.54	4.54	4.53	4.53	4.53	4.53	4.53	4.53	4.53
Denmark, checks (Krone 45.374c).....	22.06	22.05 1/2	22.06	22.10	22.14	22.19	22.17	22.15	22.13	22.13	22.14	22.14	22.15	22.16
Denmark, cables (Krone 45.374c).....	22.07	22.06 1/2	22.07	22.11	22.15	22.20	22.18	22.16	22.14	22.14	22.15	22.15	22.16	22.17
Sweden, checks (Krone 45.374c).....	25.49	25.49	25.49	25.53	25.55	25.56	25.61	25.59	25.58	25.58	25.58	25.58	25.60	25.59
Sweden, cables (Krone 45.374c).....	25.50	25.49	25.50	25.54	25.56	25.58	25.62	25.60	25.59	25.59	25.59	25.61	25.60	25.60
Norway, checks (Krone 45.374c).....	24.83	24.82	24.83	24.87	24.92	24.97	24.96	24.93	24.92	24.90	24.92	24.94	24.94	24.95
Norway, cables (Krone 45.374c).....	24.84	24.83	24.84	24.88	24.93	24.98	24.97	24.94	24.93	24.91	24.93	24.95	24.95	24.95
Greece, checks (Drachma 2.197c).....	.94 1/2	.94	.94 1/2	.94	.94	.94	.94	.94	.94	.94	.94	.94	.94	.94
Greece, cables (Drachma 2.197c).....	.94 1/2	.95	.94	.94	.95	.94	.95	.94	.94	.94	.94	.94	.94	.94
Australia, checks (Pound \$8.2397).....	3.95 1/2	3.95	3.95 1/2	3.95	3.95 1/2	3.95	3.95 1/2	3.97 1/2	3.97 1/2	3.96 1/2	3.96 1/2	3.96 1/2	3.96 1/2	3.96 1/2
Australia, cables (Pound \$8.2397).....	3.95 1/2	3.95	3.95 1/2	3.95	3.95 1/2	3.95	3.95 1/2	3.97 1/2	3.97 1/2	3.96 1/2	3.96 1/2	3.96 1/2	3.96 1/2	3.96 1/2
Montreal, demand (Dollar \$1.6931).....	99.84	99.72	99.66	99.78	99.87	99.88	99.80	99.81	99.81	99.88	99.84	99.81	99.81	99.88
Argentina, demand (Paper peso 71.87c).....	32.95	32.93	32.95	33.00	33.00	33.15	33.10	33.07	33.04	33.07	33.07	33.10	33.10	33.10
Brazil, demand (Paper milreis 20.35c).....	8.63	8.63	8.63	8.60	8.61	8.61	8.61	8.61	8.62	8.61	8.61	8.61	8.61	8.61
*Chile, demand (Gold peso 5.19c).....	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15
*Mexico, demand (Silver peso 34.398c).....	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
*Uruguay, demand (Gold peso \$1.751).....	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00

* Nominal quotations. † Holiday.

BUYING BROADER IN MOST TEXTILE DIVISIONS

by C. S. WOOLSEY

JULY was a slow and difficult month in the cotton goods markets, but all other textile divisions began to show progress in recovery soon after the mid-year holiday and continued in that direction to the opening of August. Cotton goods trading was held up pending an agreement among buyers and sellers as to the form of contract clause to be inserted, in view of the decision in the Federal Circuit Court of Appeals sustaining the Hoosac mills in its suit against the Government growing out of the right to impose a processor tax on raw cotton.

It was not until early days of August that an approximate understanding was arrived at, by which buyers from mills will be protected in any rights they may have to rebate on processor taxes, in the event that mills secure them. The case will be appealed to the Supreme Court and a decision may not be forthcoming until late in the year.

Cotton Goods Recovering

Meanwhile, Congress has taken steps to safeguard the right to impose and collect such a tax through amendments to the A.A.A. Just as the month was closing, several buyers began to get together with sellers, and contracts were placed in a small way with agreements that whatever form of protection on contracts would be assented to by manufacturers and merchants would be acceptable and binding on sales.

The certainty that such an agreement would be made led to activity in the unfinished cotton goods markets just as the month closed. In the interval of six weeks' inactivity, prices held remarkably steady, declining only $\frac{1}{8}$ c. a yard

on many constructions of sheetings and print cloths.

Cotton goods production in July was the lowest in many months, averaging well under 70 per cent capacity for the whole industry, and under 50 per cent in some divisions. As the new month opened, stocks of these goods were large, the month's sales having been substantially below the volume of restricted output.

Distribution Broadened

All the while that light sales were being reported in the primary divisions, business in retailing held up well and wholesale distribution for Fall in many houses gave promise of a large and steady movement which was being realized as the month was coming to an end. Inventories of cotton goods in distributing channels are light and will require constant replenishment to meet even subnormal requirements.

Reports coming into selling agencies, concerning trade prospects, as the month closed and a few days before the first Government report of the condition and probable yield from the planted acreage of cotton came to hand, warranted predictions of an active business from this time forward. In many sections the best Fall trade in several years is in prospect.

Trade was less hampered in finished goods than in non-converted lines. Larger sales of sheets and pillowcases led to a shortening of discounts, as a result of broadening demands. Denims stiffened, and bleached cottons were advanced $\frac{1}{4}$ c. a yard. Towels sold steadily, especially the fancy weaves for bath purposes.

Converters who had delayed

placing contracts on Spring lines became active in the last week or two of the month, and fine goods orders were increased. A renewal of the placing of awards on Government contracts also resulted in the placing of substantial orders for many lines of cottons to be delivered in the next ninety days. On the whole, as the month ended, the industry appeared to be on the verge of the most active trading seen for some months.

Continued hesitancy resulted from delays of investigations under way by the Federal Trade Commission and the Cabinet Investigating Committee. Merchants, however, now look for nothing more than a series of recommendations that will lack the force of law and probably not interfere materially with Fall prospects.

No immediate concessions seem to be in sight for the petitioners in the industry who want processor taxes abolished. Neither is there any likelihood of anything being done to lessen Japanese competition and to broaden the contracted foreign trade in cotton goods.

Wool Mills at Capacity

The wool goods industry continued fully employed in mills, and well employed in clothing and garment factories. The threatened strike did not materialize, although the modified demands are likely to be pressed continuously in centers where there seems to be any chance of success.

As the month ended, manufacturers were convinced that no interference with production will occur in the near future. Some small strikes continue and others are to be expected while trade-

union leaders are in their present bellicose attitude.

Fall Goods Active

Tropical worsteds for the coming Spring and Summer season were opened at prices ranging from 5 to 7½ per cent up from last season's. Some mills have booked a very fair amount of business already. Dress goods and coatings were active during the month, Fall sales having been delayed because of the desire of retailers to clean up all inventories before buying Fall garments freely.

New York men's wear jobbers did an active business, as cutters in need of merchandise were unable to secure it from mill agencies where stocks are at the lowest level in years. Some clothing manufacturers have been adding to their stocks of staples and overcoatings, due to the steady movement for Fall and Winter retailing.

The rayon industry was very active during the month. For a time both rayon and silk sales were held up by a threat of imposing compensatory taxes on them as a part of taxing cotton under the A.A.A. When Congress refused to act, trade began to improve rapidly.

July shipments of rayon yarns were next to the largest on record. August deliveries are engaged to an average of 80 per cent capacity.

Books were opened for September orders and without change in price. Orders are running full, with acetate rayons quite difficult to get for spot delivery. A prolonged strike in a Western plant was settled as the new month opened. Weavers were active buyers of rayon yarns, and knitters began laying down larger orders late in the month.

Rayon Demand Strong

Rayon fabrics have sold freely since the midyear holiday. Many new lines are shown. Rough weaves and "woolly" effects are selling well for Fall, and the wide variety of fancy effects shown exceeds anything hitherto noted in the industry. Large sales of rayon taffetas and lining materials were made and as the month was closing the reports from mill centers showed a substantial gain in operations with the prospect that production will be full for some time to come.

Reports in the women's coat manufacturing market point to a marked style trend toward pile fabrics, which simulate natural furs. These cloths in very popular-priced ranges are being made of rayon. While the favor of the cloth has not been indicated thoroughly by garment buyers, the conclusion in the market is that the Fall season will see large

quantities of such cloth going into consumption.

Deliveries of raw silk to mills during July were 25 per cent in excess of the preceding month's. Some part of the increase was due to sales made to Canadian mills to avoid paying a higher duty imposed there as of August 5 to meet Japanese duties on other lines. Aside from this, silks have been selling better and employment at mill centers is showing some increase. With raw silk rising during the month, and sales of all-silk goods larger than a year ago, in relation to rayon output, many silk merchants look for an active Fall and are certainly doing a much better business in the higher qualities of silk fabrics.

Burlap Prices Advanced

Burlaps were fairly active, and prices grew firm on reports of reduced acreage in India. Advances at times were speculative in character in Calcutta, but were not reflected always in this market, where reduced crop acreages affect bag consumption. Flax continued high, but linen buying from this side for future delivery was held down through questioning of the power to move goods at much higher prices. Linen suits and suitings have moved out of stocks freely.

DAILY SPOT MIDDLING COTTON PRICES AT LEADING CENTERS DURING JULY, 1935 (Cents Per Pound)

	Mon. July 1	Tues. July 2	Wed. July 3	Thurs. July 4	Fri. July 5	Sat. July 6	Mon. July 8	Tues. July 9	Wed. July 10	Thurs. July 11	Fri. July 12	Sat. July 13	Mon. July 15	Tues. July 16
New Orleans	12.20	12.35	12.45	*.....	12.20	12.30	12.30	12.40	12.48	12.33	12.35	12.20	12.25	12.15
New York	12.15	12.35	12.45	.....	12.20	12.35	12.30	12.40	12.45	12.35	12.45	12.35	12.40	12.25
Savannah	12.30	12.50	12.58	.....	12.33	12.46	12.44	12.55	12.60	12.50	11.56	12.45	12.49	12.38
Galveston	11.90	12.10	12.20	.....	11.95	12.10	12.10	12.20	12.25	12.15	12.20	12.10	12.15	12.00
Memphis	12.20	12.40	12.50	.....	12.20	12.35	12.35	12.45	12.50	12.40	12.45	12.35	12.40	12.30
Norfolk	12.20	12.35	12.40	.....	12.13	12.25	12.25	12.35	12.40	12.30	12.35	12.21	12.30	12.15
Augusta	12.65	12.84	11.94	.....	12.67	12.80	12.79	12.90	12.94	12.85	12.91	12.80	12.84	12.73
Houston	11.95	12.15	12.25	.....	12.00	12.10	12.05	12.15	12.20	12.10	12.15	12.05	12.05	11.95
Little Rock	12.20	12.39	12.43	.....	12.17	12.25	12.24	12.35	12.40	12.30	12.35	12.25	12.29	12.18
Fort Worth.....	11.80	11.95	12.05	.....	11.80	11.90	11.90	12.00	12.05	11.95	12.00	11.90	11.95	11.80
Dallas	11.80	11.95	12.05	.....	11.80	11.90	11.90	12.00	12.05	11.95	12.00	11.90	11.95	11.80
	Wed. July 17	Thurs. July 18	Fri. July 19	Sat. July 20	Mon. July 22	Tues. July 23	Wed. July 24	Thurs. July 25	Fri. July 26	Sat. July 27	Mon. July 29	Tues. July 30	Wed. July 31	
New Orleans	12.15	12.10	12.05	11.90	11.90	11.70	11.95	11.90	12.05	12.05	11.95	11.90	12.10	
New York	12.35	12.35	12.30	12.20	12.25	12.10	12.25	12.00	12.15	12.15	12.05	12.00	12.10	
Savannah	12.40	12.49	12.39	12.29	12.30	12.16	12.29	12.27	12.42	12.42	13.00	12.27	12.40	
Galveston	12.10	12.05	12.00	11.90	11.90	11.70	11.85	11.80	11.95	11.95	11.85	11.80	11.95	
Memphis	12.40	12.35	12.30	12.20	12.20	12.05	12.20	12.15	12.30	12.30	12.20	12.15	12.30	
Norfolk	12.25	12.25	12.20	12.10	12.10	11.95	12.10	12.07	12.20	12.20	12.10	12.05	12.20	
Augusta	12.83	12.80	12.74	12.64	12.65	12.50	12.65	12.62	12.77	12.77	12.76	12.65	12.62	12.76
Houston	12.00	11.95	11.90	11.75	11.75	11.60	11.75	11.75	11.85	11.85	11.75	11.75	11.85	
Little Rock	12.28	12.25	12.25	12.10	12.10	11.95	12.09	12.07	12.22	12.21	12.10	12.05	12.20	
Fort Worth.....	11.90	11.85	11.80	11.70	11.70	11.55	11.70	11.70	11.85	11.80	11.70	11.70	11.80	11.80
Dallas	11.90	11.85	11.80	11.70	11.70	11.55	11.70	11.70	11.85	11.80	11.70	11.70	11.80	

* Holiday.

BUSINESS CONDITIONS, BY DISTRICT

Baltimore Business in general compares favorably with the corresponding month of the preceding year. Wholesalers report a slight increase in volume, with collections much improved, and in some cases exceeding sales. Observers of the wholesale situation see favorable signs for the approaching season. The uncertainty over prices has created a growing backlog of retail orders awaiting assurance of price stability, which manufacturers are endeavoring to attain.

Retail sales have increased 8 to 12 per cent over the corresponding month of last year, with collections much improved. Summer merchandise is being moved rapidly, and the sale of vacation necessities continues large.

Binghamton Business was seriously affected for two or three days after the recent disastrous flood, but during the second half of the month operations resumed normal proportions. Reports from department and men's and women's apparel stores indicate that business, when compared with that for the same period a year ago, is better.

Wholesalers of food products report that in the city of Binghamton the volume is about normal. In some of the rural communities, which suffered most from the flood, there has been a decline in volume, and some of the accounts have been granted extensions of time in which to pay their bills.

Boston Business conditions continue somewhat irregular, with the woolen branch of the textile industry still making a favorable showing, but with cotton textiles down, and the building industry recovering slowly. Woolen mills have on hand orders sufficient to insure operations from two to four months at the current high rate of activity.

For the first five months of 1935,

shoe production in Massachusetts showed a decrease of 7.5 per cent. New Hampshire, however, gained 1.9 per cent and Maine increased 7.5 per cent. Output in the principal Massachusetts shoe centers during July picked up considerably, as the manufacturers started work on the sizable orders received. There was an increased call for all grades of leather, as manufacturers covered their requirements.

Bridgeport General summary of business conditions prevailing in the Bridgeport area and including Waterbury shows that tendency is slightly upward, compared to corresponding period of 1934. More than 90 per cent of manufacturing concerns that were contacted reported a favorable increase in volume, and looked forward with considerable assurance that further gains would be made.

The situation in the retail field continued to reflect an upward trend and increased demand in nearly all lines of commodities, particularly Summer wear. Compared to volume of last year, an increase is reported of about 10 per cent.

Employment in this area is reported to be holding generally steady, with slight gains at isolated points. There has been no reduction of consequence in wages or increase in hours.

Buffalo Volume sales of Summer merchandise started early in June this year, so that stocks now are becoming depleted, with markdown sales being held only to clean out the left-overs. An early showing of Fall merchandise is anticipated.

A slight seasonal decline in factory employment and pay rolls was reported for July. The same number of help was employed, but worked fewer hours. New construction showed a gain for the month and was better than a year

ago. Loans for real estate improvements are easier of attainment and, for the first time in several years, some speculative builders have started operations, with additional plans being drafted.

Chicago Retail trade in July held moderate gains over last year, particularly with the larger stores, which was considered a most satisfactory record, in view of the absence of world's fair patronage. Clearance sales of Summer goods, which began on the 15th, met with a fairly good reception. Mail-order houses will turn in a gain for the month comparable to that of June.

Wholesalers also were busy, the brisk volume of fill-in orders indicating that many Midwestern retailers had misgauged consumer demands. The midseason furnishings and furniture exhibits reported the biggest attendance for any two weeks' exhibition in local history. Sales were substantially in excess of last year's. Registrations for the Interstate Merchants' Council meetings ran 22 per cent ahead in stores, and 28 per cent ahead in buyers, compared to last year.

Steel output increased sharply during the month on receipt of new railroad and structural orders and a broadening in miscellaneous demand. Automobile companies, confronted by an unexpectedly steady demand for current offerings and the necessity of preparing for an early showing of 1936 models, also were active takers of steel. The improvement in building material demand is reflected in an estimated 30 per cent increase in the six months' profits of a gypsum company with Chicago headquarters.

Cincinnati Retail trade continued to show improvement during July. For this year to date, sales approximately are 10 per cent in ex-

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cess of the corresponding period in 1934. Movement of merchandise is fairly well spread out over all lines.

Wholesale trade experienced the usual seasonal let-up, with sample lines now being made up for Fall business. Orders were small, but volume was ahead of that of a year ago. Prices are firm.

Employment figures for July, 1935, indicated a general improvement in local industries. Manufacturing employment was 4½ per cent more than in 1932, 7 per cent greater than 1934, and less than 1 per cent off from June, 1935. Construction employment was 70 per cent less than in 1929, 102 per cent more than in 1934, and increased 27 per cent over June, 1935. Employment in miscellaneous and clerical lines was 22 per cent less than in 1929, 5 per cent more than in 1934, and less than 1 per cent under June, 1935.

Cleveland Industrial activities made a strong comeback after the holiday let-down at the beginning of the month. Improvement in the machine tool industry is still being felt. Makers of machinery to manufacture motors, gears, axles, and the like are back to their 1931 pace.

This district made sharp gains in steel operations during July, resisting the usual seasonal trends. Prices in the steel and iron scrap market were strong, and rose \$1 to \$2 a ton. One of the largest paint and oil concerns showed a substantial gain in profits in the first six months, especially for June.

Dallas Local business during July showed some improvement over the seasonal slump which has been in evidence since early in June. Retail trade was around 5 to 12 per cent ahead of that for this time last year.

The most encouraging feature, however, was the improvement in some of the heavier basic indus-

tries, including mill and industrial machinery, hardware, building materials, plumbing supplies and chemicals. Crop prospects continued good.

Dayton With more favorable weather prevailing, retail merchants and department stores noted a slight increase in volume, with clearance sales seemingly finding favor with the buying public. The larger manufacturing plants, with one exception, have all been working on high schedules, and the smaller plants are operating with a good force of employees.

Favorable Spring and Summer weather conditions have brought crops along nicely, with farmers in this vicinity enjoying a 40 per cent increase in volume of bushels over 1933 and 1934. This, coupled with the unfavorable reports from the Western wheat belt, resulting in advancing prices, should materially benefit the farmers in this vicinity.

Building trades continue backward, with such activities as are undertaken confined principally to remodeling and repair work. Sales of both new and used automobiles have held up well, with statistics for the first six months of 1935 showing a larger registration of automobiles than for any like period in the history of the county.

Detroit The Summer business, although in the customary off season, thus far has been much more satisfactory than a year ago. Retail trade during July was fully 15 per cent ahead of the volume for the comparable period of last year. Women's and men's ready-to-wear, with an increase of about 20 per cent, led. The inventory conditions of retail stores also are healthier than a year ago.

Wholesale trade was a little better than a year ago. Light foods, fruits and vegetables, paints, builders' hardware, and other af-

filiated products were the most active. The textile line has been less active lately, due to the recent ruling on the processing tax.

Industrial employment, which has been declining gradually since May fell off about 6 per cent in July. This decrease has been reflected in the welfare roles, there having been a gradual increase in the number of cases obtaining support since the end of May.

Automobile production continued ahead of last year's, and the industry is planning to hold at this same level for a few weeks. Tool shops and die makers were busy getting ready for an early start on Fall automobile models.

Duluth Representative department stores, as well as those engaged in the men's and women's wear business, report that July sales showed gains of 2 to 7 per cent over those for July, 1934. This was attributed largely to the tourist trade, as local commercial activity has not been noticeably greater.

Jobbers in the hardware line experienced very slight gains in orders, whereas those in the food products line have been somewhat disappointed. Manufacturers of woolen outdoor wear are finding buyers slow in making their commitments.

Erie While unusually hot weather restricted retail sales, yet gains inaugurated several weeks ago were maintained, particularly in lines handled by department stores. No change was registered in the wholesale trades, but more inquiries are being made and more interest manifested by potential purchasers, encouraging distributors to look for an active Fall trade.

Some manufacturers of machine tools and miscellaneous machinery reported orders on an increased scale, but, on the whole, industrial conditions showed little change during the month, other than an

improvement in sentiment. Building and real estate transfers registered slight gains.

Fort Wayne Both wholesale and retail volume exceeded the totals set down for July, 1934. Collections continued satisfactory and crop conditions continued good. Industrial operations were curtailed by the strike at one of the knitting mills and a copper products plant.

One of the leading manufacturers of farm equipment is to enlarge its local truck plant at a cost of \$1,000,000. Projects in Fort Wayne and Allen County, calling for the expenditure of \$1,253,094, have been approved.

Indianapolis Retail sales experienced the usual Summer lull, but volume was 10 to 15 per cent over that of the similar period of 1934. Wholesale lines showed activity, with dry goods orders increased by 20 per cent over the previous year, and hardware lines showed a gain of 10 to 15 per cent. A slight decrease was noted in industrial operations, but these were ahead of the same period of 1934. Collections are generally reported good.

Jacksonville Both wholesale and retail volume remained steady during July, and were classified as fairly good. Continued rains resulted in some damage to growing crops, but were helpful to citrus trees. The northwest section of Florida is looking forward to the opening of tobacco auctions, and it is expected that prices will equal those of last year, which were satisfactory to the growers.

Kansas City Higher prices for wheat and hogs benefited retailers, as sales averaged 8 to 12 per cent higher than for July, 1934. Largest gains recorded for Summer clothing, hardware, and farm implements. With fill-in orders heavy, and an increased flow of requests for dry goods and groceries, wholesale volume was 6 to 10 per cent larger than a year ago. Fall buying is off to a good start.

Flour mills throughout the terri-

tory booked only 30 to 35 per cent of full capacity, compared with 90 to 95 per cent for the corresponding period of last year. The volume of business was looked upon as disappointing, in view of the normal trend at this season toward enlarged flour sales. The condition was attributed to sharp and erratic price changes in wheat futures, and to court contests over the A.A.A. processing tax.

Little Rock Retail sales showed a gain of 8 to 10 per cent over July, 1934, with some lines as much as 15 per cent ahead of a year ago. Summer merchandise stocks are not heavy and reorders are being made by department stores. Wholesalers of dry goods and clothing reported a volume above expectations for small immediate shipments, with a sharp increase in Fall orders.

Favorable weather has continued and it is believed the damage by recent floods will be greatly minimized. Sawmills and building material dealers continue to do a good business, with other industrial operations on schedules slightly above last year's average.

Los Angeles Retail trade during July revealed but slight evidence of the usual Summer lull. Volume continues at a pace 10 to 20 per cent above this period of last year. July clearance sales events are well attended.

Wholesale trade reflected the steady trend of merchandise movement through retail channels, and likewise held moderately above last year's. Low inventories at retail stores, coupled with a general steadyng of consumer demand, have resulted in heavy initial orders for Fall goods. Furniture, hardware, paints, and electrical supplies continued active, and foodstuffs were steady.

Louisville The general trend in business locally and in the surrounding territory continued satisfactory in practically all lines of business during July. However, wholesalers of food products, dry goods, and notions reported a drop

of about 10 per cent over the corresponding period of last year. Wholesalers of hardware, paints, and other allied lines reported volume anywhere from 10 to 15 per cent better than a year ago.

Cooperage manufacturers are operating at full capacity at this time, and the outlook is very good. Wholesalers of electrical and mill supplies have about 10 to 15 per cent more orders than last year, and the same applies to wholesalers of women's and men's shoes in this territory.

Minneapolis Toward the close of the month there came a rapidly increasing number of reports of severe damage to the Spring wheat crop from black rust. It appears that in some localities the loss may approach 90 per cent, while in others it is much less.

The prosperity of this agricultural section, both city and country, is so dependent upon a reasonably good harvest, after three years of drought, that it is the all-absorbing topic at this time. Present indications are for a large increase in the wheat harvest compared with those of recent years, and a relatively better yield of other grains, including corn.

Notwithstanding uncertainties growing out of the crop situation, wholesale and retail trade was 10 to 20 per cent over totals of last year. Flour sales and production showed slight gains, but buyers were holding off heavy purchases.

Newark Distribution at retail continued along seasonal trends, with textiles and kindred lines exhibiting the greatest degree of activity. High temperatures created a better demand for Summer-weight apparel. Sales of men's straw hats have been slightly above the total for the corresponding season a year ago.

Building and construction have not picked up to the volume anticipated, but permits for June were considerably above those for the same month in 1934. There was no improvement reported for industrial operations.

New Haven Both in the local and Waterbury districts manufacturers maintained larger schedules than in July, 1934. There was a slight falling-off in the number of persons on pay rolls, which is usual during the Summer, but total of employed as well as hours of work were above last year's level.

A good increase was reported for retail sales, due to the excessively hot weather and to the many visitors here during the month to attend conventions. Wholesale volume was expanded chiefly by orders for merchandise to complete current assortments, as Fall buying has made but little progress thus far.

New Orleans Reports on cotton acreage were about as expected, though some believe the restricted acres and attending selection of the better land for planting will result in a higher average production per acre. Rice was seasonally quiet during the month, but prices were uniformly firm. Crop condition continued favorable. The coffee market weakened somewhat and sugar was sluggish.

Many retailers reported an improved movement of merchandise, particularly of Summer apparel, sporting goods and vacationists' needs. Clearance sales contributed to the enlarged volume. Bank clearings continued ahead of the same period of last year, and there was more activity in the building industry.

Omaha Business conditions in this territory continued above par. The seasonable weather kept Summer merchandise at maximum demand, in many instances retailers not having sufficient inventories to adequately take care of sales. The usual Summer falling-off has not occurred.

While crop conditions are spotted, because of storm damage, and black rust affecting wheat, nevertheless agricultural conditions are so much better than a year ago that retailers in the country districts are enjoying sales increases for July that will average 20 to 25 per cent over a year ago.

Philadelphia As the trend of buying is toward the moderate and lower-priced articles, the increase in the number of units sold ran to a higher percentage than that for retail dollar volume. The latter was only 4 to 8 per cent above the total for July, 1934. Dwindling inventories kept a constant flow of orders to wholesalers for merchandise urgently needed. Wholesalers reported Fall commitments averaging 10 to 12 per cent larger than last year.

Manufacturing operations rebounded strongly after the opening week of the month, schedules in most divisions exceeding those of a year ago. With residential building expanding and modernization work proceeding at a good rate, manufacturers of plumbing and heating supplies showed an increase of 50 per cent in volume during the first six months over last year's figures. In the same comparison, manufacturers of luggage reported a gain of 50 per cent. Manufacturers of sport coats and sweaters have more orders booked than at the beginning of August, 1934.

Pittsburgh Usual Midsummer conditions prevailed with both wholesale and retail trade, although retail sales, as a whole, ran about 10 per cent ahead of July, 1934. Shoe sales at retail were slightly higher than a year ago. There was a fair movement at retail of women's and children's Summer merchandise, but men's wear lines were rather slow.

Residential construction averaged considerably higher than last year, rising above that for any year since 1930, but there is not much activity in public works or industrial building. Hardware sales were quiet, and there was not much improvement in sales of radios or electrical equipment at retail.

Industrial operations are averaging slightly higher than a year ago, with steel mill operations up sharply. While production of plate glass held up very well, other lines of glass products declined, to some extent, as is customary during

July. Production of electrical equipment was at a slightly lower rate, but still ahead of last year's. The demand for sanitary and heating equipment continued fair, holding higher than in 1934.

Rochester Retail trade during July exhibited considerable strength, hot weather having increased the sale of Summer apparel appreciably. Average daily checks cashed for the first fourteen days of July were 2 per cent ahead of June, 1935, and were less than 1 per cent behind the corresponding period of July, 1934.

New passenger car sales for the first ten days of July were 93 per cent ahead of the corresponding period of July, 1934, and registered less than the usual seasonal decline from June sales.

St. Joseph Many complaints were received from retailers in all lines as to insufficiency of volume. The wholesale trade in textile lines expect an increased Fall business by reason of dealers' low stocks. All business in this district will depend on crops which at this time are very good.

Farm products are needing rain. The weather bureau reports the driest July for over 25 years, with only 11/100 of an inch rainfall for the first twenty days. While corn is late, yet growth has been rapid, which will help yield. Packing still remains slow and livestock is scarce. River work and other construction projects are absorbing some surplus labor, but the employment situation is unsatisfactory.

St. Louis Retail volume in this area during July was maintained at 7 to 10 per cent above the 1934 level. An automobile tire and accessory price war was accompanied by the most rapid movement in this type of merchandise since the first of the year, dealers in some sections reporting sales several times the volume of the month previous.

Wholesale grocers and dealers in dry goods and general merchandise reported orders slightly under a year ago, while distributors of

hardware, farm implements, and household conveniences are feeling an improvement as compared with 1934. Industrial activity continued accelerated during the month, in anticipation of a Fall improvement. Shoe shipments, just starting, are in greater volume than during the corresponding period of 1934, while manufacturers of heavy chemicals also reported betterment.

St. Paul Merchandising at wholesale and retail, during a month of humid weather was above expectations. Of thirty-five reports received, all showed sales to have at least held even with the gain in the previous month, and with many the volume was 25 per cent greater than in the corresponding period in 1934. The harvest in the Northwest is the center of interest right now.

For the first time in history, airplanes were used to hasten delivery of repair parts for farm equipment from the Twin Cities to points in Minnesota, the Dakotas, and Montana. Another point of interest that will be chronicled in the history of the Northwest was that the price of hogs at the South St. Paul Livestock market reached \$10.25 per hundredweight, the highest amount paid since September 23, 1930, as against \$4.50 per hundredweight a year ago.

San Francisco Vacation and tourist travel has been very good by all modes of transport, and more money is being spent by the vacationists than for several years. Real estate sales in the first half of the year increased 23 per cent in money value and 27 per cent in the number of transactions, over the like period of 1934.

The market on new crop dried fruit is in the making and all lines except figs, peaches and pears have been quoted out. Canned fruits and vegetables are very quiet and much confusion is evident with respect to current and prospective Federal legislation affecting this line.

Department store trade increas-

ed and with some stores more than was expected. Shoes sold more freely, and installment jewelry is doing better than expected, running ahead of last year. Wholesale drugs and sundries were active, with demand increasing. Hardware showed little change.

Tacoma Wholesale and retail trade continue to improve slowly, as the situation with regard to the Northwest lumber strike also continues to improve. To date, volume, both wholesale and retail, is ahead of last year's.

Additional men are daily returning to the lumber mills, in spite of more or less violence, with mills still protected by State troops. In Tacoma, about two-thirds of the normal crews are working, about 1,900 men, with logging camps slowly resuming operations.

Production touched its lowest point of the strike for the week ended May 25, when it was 22,900,000 feet and is now approximately 50 per cent of pre-strike production.

SPENDING FOUR BILLIONS FOR WORK RELIEF

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its totality no great increase in spending power is to be anticipated. The wage scale is so inordinately low as to add only moderately to what those employed have been receiving on direct relief. There will be but a moderate stimulus to the heavy industries, moreover, as in the interest of providing quick and extensive employment a program of major construction projects involving heavy requirements for materials and equipment has been partially foregone. No valid claim can be made, however, that the program is encroaching to any material degree on the field of private enterprise. Workers, in fact, through reemployment as well as improved morale, are being made potentially more available for absorption by industry when it seeks to expand. If such expansion does not come within a year the nation may expect to be confronted with another work relief program.



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